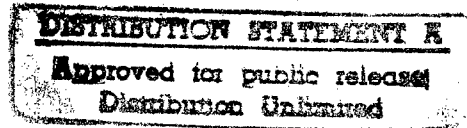


095066

JPRS-NEA-84-027

17 February 1984



## Near East/South Asia Report

19980319 144

DTIC QUALITY INSPECTED 2

**FBIS** FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY  
NATIONAL TECHNICAL  
INFORMATION SERVICE  
U.S. DEPARTMENT OF COMMERCE  
SPRINGFIELD, VA. 22161

6  
151  
A08

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

17 February 1984

## NEAR EAST/SOUTH ASIA REPORT

## CONTENTS

## REGIONAL AFFAIRS

## INTERNATIONAL AFFAIRS

British Take Over Senior Gulf Positions From Americans (GULF TIMES, 29, 30 Dec 83) .....	1
Outlook for Gulf Oil Exporters (Marwan Iskandar; AN-NAHAR ARAB REPORT & MEMO, No 1, 2 Jan 84) .....	2
Joint Ventures in Arab World Examined (AN-NAHAR ARAB REPORT & MEMO, No 2, 9 Jan 84) .....	9
Gulf Pharmaceuticals Imports Rise (GULF TIMES, 21 Jan 84) .....	20

## ARAB AFRICA

## LIBYA

Decision-Making Process in Country Examined (Jon Berman; JAMAHIRIYA INTERNATIONAL REPORT, 20 Jan 84)	21
---	----

## ARAB EAST/ISRAEL

## ISRAEL

Penetration of Chinese, Hungarian Markets Reported (Hayim Bi'or; DAVAR, 7 Feb 84) .....	23
--	----

Umm Al-Fahm Officials Discuss Local Issues (Nasim Abu-Khayt; AL-ITTIHAD, 6 Sep 83) .....	24
Drought Threatens Central, Negev Regions (DAVAR, 15 Dec 83) .....	29
Arab Village Complains of Military Maneuvers (Shabir Farid Hasan; AL-ITTIHAD, 11 Sep 83) .....	31
Investments in Foreign Stocks Increase (Avi Temkin; THE JERUSALEM POST, 27 Dec 83) .....	33
Poor Medical Care for Beduins (Margery Greenfeld; THE JERUSALEM POST, 3 Jan 84) .....	34
Phone Tapping of IDF by Signal Corps Described (Mia 'Eshet; BAMAHAANE, No 18, 21 Dec 83) .....	37
Briefs	
Black Hebrew Child Smuggling	41
New Aerosol Research Organization	41
No Water for Delinquent Municipalities	42
Travel Tax Increase	42
Joint Drone Production	42
Hebron Agricultural College	43
British-Israeli Trade	43
Commercial Quantities	43
Crop Exports to East Europe	43

#### KUWAIT

Briefs	
Floating Pollution Control Stations	44

#### LEBANON

President of Christian Leagues Interviewed (Shakir Abu Sulayman Interview; AL-TADAMUN, No 40, 14 Jan 84) .....	45
Deputy Chairman of Higher Shi'ite Islamic Council Interviewed (Shaykh Muhammad Mahdi Shams-al-Din Interview, AL-QABAS, 29 Dec 83) .....	48
Prominent Personalities Conference Founder Interviewed (Wa'il Abu Shaqra Interview; AL-TADAMUN, No 39, 7 Jan 84)	56
Three Leading Figures in Economy Viewed (Ibrahim 'Awwadah; AL-TADAMUN, No 40, 14 Jan 83) .....	59
Tripoli Officials Explain Extent of Damage to Economic Sector ( 'Isam Ghamrawi Interview; AL-NIDA', 18 Dec 83) .....	62



Insurance Industry: Problems, Prospects (THE ARAB WORLD WEEKLY, No 699, 24 Dec 83) .....	78
OMAN	
Briefs	
Oil Output	82
Trade With Egypt	82
PALESTINIAN AFFAIRS	
Journalist on Husayn's Moves (Jamil Hamad; THE JERUSALEM POST, 22 Jan 84) .....	83
QATAR	
Government Hits Shell With 500 Million Dollar Claim (GULF TIMES, 12, 13 Jan 84) .....	87
Bank Profits Said Down 18 Percent in 1983 (K. N. Sharma; GULF TIMES, 12, 13 Jan 84) .....	88
Briefs	
Qapco Seeks European Loan	89
Oil Pollutes Beaches	89
SAUDI ARABIA	
PETROMIN Aims at Saudization of Labor Force (Sa'ud al-Masibih; AL-RIYAD, 22 Nov 83) .....	90
Village Electrification Projects Expanded (AL-RIYAD, 27 Nov 83) .....	92
Health Services in Eastern Region Increased (Mansur al-'Adwan; AL-RIYAD, 14 Dec 83) .....	94
SYRIA	
Syria, AFESD Conclude Highway Loan (ARAB TIMES, 8 Jan 84) .....	96
Farm Cooperatives Report on Activities (AL-BA'TH, 25 Oct 83, 7 Nov 83) .....	97
Report by Collective's Secretary, by Ibrahim Daghir Statement by Dayr al-Zawr Union Leader, by 'Abd-al-Karim Sa'd	
Briefs	
Idlib Fodder Supply	104

## SOUTH ASIA

### AFGHANISTAN

Current Development Plan Surveyed (KABUL NEW TIMES, 10 Jan 84) .....	105
Fight Against Illiteracy a Primary Task (KABUL NEW TIMES, 11 Jan 84) .....	108
Commentary Attacks Former Ruler Zahir Shah (KABUL NEW TIMES, 7 Jan 84) .....	110
Shabarghan Reportedly Turning Into Industrial Center (KABUL NEW TIMES, 4 Jan 84) .....	112
Neglected Schools To Receive Attention (KABUL NEW TIMES, 4 Jan 84) .....	114
Women's Role in Revolution Depicted (KABUL NEW TIMES, 9 Jan 84) .....	116

### IRAN

Tehran Comments on U.S., USSR Stands Toward Iraq (Tehran International Service, 23 Jan 84) .....	118
Bakhtiar Issues Statement on Kerr Assassination (Radio Iran, 20 Jan 84) .....	119
Majlis Speaker Defends Montazeri Against 'International Satans' (ETTELA'AT, 21 Dec 83) .....	120
Tehran Comments on ICO Decision on Egypt's Return (Tehran Domestic Service, 22 Jan 84) .....	122
Emigre Magazine on Future of Iranian System (ASGHAR AQA, 14 Jan 84) .....	124
New Radio Transmitter Opened in Kish Island (Tehran Domestic Service, 31 Jan 84) .....	125

### NEPAL

King Talks About Economic Goals, Efforts (THE RISING NEPAL, 14 Jan 84) .....	126
Labor Ministry Implements Factory Act (THE RISING NEPAL, 18 Jan 84) .....	130
Supporters of Ex-Prime Minister Thapa Plan Strategy (THE MOTHERLAND, 17 Jan 84) .....	131

Restrictions on Congress Seen as Unnecessary (Editorial; THE MOTHERLAND, 3 Jan 84) .....	132
Local Level Panchayat Offices Opposed (Editorial; THE MOTHERLAND, 10 Jan 84) .....	133
Panchas Submit Anti-Government Petition to His Majesty (THE MOTHERLAND, 16 Jan 84) .....	134
Officials Talk About Manpower Planning Problems (THE MOTHERLAND, 9 Jan 84) .....	135
UK To Provide Grant for Water, Road Projects (THE RISING NEPAL, 11 Jan 84) .....	136
Sharp Rise in Trade Deficit Reported (THE RISING NEPAL, 17 Jan 84) .....	137
New Forest Development Projects To Be Launched (THE RISING NEPAL, 18 Jan 84) .....	139
Developing Cottage Industries Emphasized (Editorial; THE RISING NEPAL, 20 Jan 84) .....	141
Repressive Measures Against The Press Deplored (Editorial; THE MOTHERLAND, 17 Jan 84) .....	142
Earnings Figures From Mountaineering (THE RISING NEPAL, 10 Jan 84) .....	143

BRITISH TAKE OVER SENIOR GULF POSITIONS FROM AMERICANS

Doha GULF TIMES in English 29, 30 Dec 83 p 25

[Text]

COMPANIES in Gulf states are forsaking the United States and increasingly turning to the British labour market for their senior expatriate managers, according to a survey carried out by the Arab-British Chamber of Commerce.

The buy-British trend is a reversal of the situation five years ago, the survey states. Then US executives occupied most of the senior management posts filled by expatriates.

The Arab-British Chamber of Commerce states simple economics are responsible for the switch.

"With the rising wages and employment costs, it is now more cost-effective to employ a UK executive who will often be willing to accept a 'single status' contract than it is to hire his US equivalent who is more likely to insist on bringing his family as well as expecting to enjoy the benefits associated with American executives' lifestyles," the survey states.

Another interesting trend, according to the survey, is the rapidly increasing number of Arab executives who now have the skills, experience and determination to take over more senior management posts.

"This has in turn led to greater emphasis being placed on local training and higher education schemes and consequently to a sharp rise in the recruitment of expatriates who specialise in training as well as those with good experience in teaching science and technology, the survey states.

"Many British and other magazines and daily and Sunday newspapers often carry numerous advertisements for such openings."

The survey adds: "The type and number of opportunities available for expatriates naturally vary from one country to another."

Many Arab states have now completed or are about to complete their infrastructures and therefore offer greater openings in secondary industries such as maintenance services. This is particularly true for construction, electrical and mechanical services. Telecommunications and related services such as computer application also offer growing opportunities.

"The increasing awareness in the region of the importance of environmental and ecological factors has led to an increase in openings in, for example, waste disposal and recycling, landscaping and leisure and recreation services," the survey states.

Having recruited large numbers of managerial expatriates for more than a decade now, Arab governments and commercial organisations have also become increasingly aware of the importance of appropriate academic and professional qualifications as well as working experience abroad, according to the Arab-British Chamber of Commerce.

"For example, a typical British manager or skilled technician working now in the Gulf will probably have completed several employment contracts, perhaps in more than one Arab country or organisation, and will regard working there almost as a way of life," the survey states.

Apart from having this kind of "careerist" approach, the "typical" British expatriate is now much older.

"While 10 years ago the majority of British expatriates working in Arab countries fell within the 20-30 years age group, they are now mostly beyond their mid-30s, many of them falling in the 40-55 years age group. Furthermore, the Arab job markets are no longer confined, as they mostly were during the early years of the oil boom, to those seeking only short-term highly lucrative posts," the survey concludes.

CSO: 4400/144

## OUTLOOK FOR GULF OIL EXPORTERS FOR THE 80'S

Beirut AN-NAHAR ARAB REPORT &amp; MEMO in English No 1, 2 Jan 84 pp 12-21

[Article by Marwan Iskandar]

[Text] Pinpointing the underlying trends in the international oil market has always been a difficult business and the analyst is bedevilled constantly by day-to-day changes in a host of variables: spot market prices, production and export quotas, hidden discounts, to name but a few. Some of these factors will eventually be incorporated into long-term prospects for the market; others, in hindsight, will be reduced to mere footnotes in economic history. But when the wheat is winnowed from the chaff, three distinct but inter-related developments can be found which have coloured the outlook since the start of this decade for Gulf states which produce and export oil. The consequences of these developments will require a long time to work themselves out and traces of them will be found well into the next decade; to understand their impact on policy-making in the Gulf countries it is therefore essential to survey these three developments and their consequences.

The first of the three developments occurred early in 1979, when the oil industry in Iran was hit by political strikes and sabotage. Next to Saudi Arabia, Iran had become by that date the most important producer of crude oil in the area as well as being a substantial exporter of gas through the Igat I pipeline to the Soviet Union. These distur-

bances in Iran leading up to the fall of the Shah sent waves through the international oil industry, in particular because by 1978 the consumption of oil in the major industrial countries had once again increased beyond its level in 1974. In other words, the industrial countries had absorbed the shock of the price increases early in 1974

and the real price of crude had fallen.

There was fear about an oil shortage because of what was happening in Iran, in particular because it was the declared policy of the Shah's opponents to limit crude oil production to 2 million barrels a day (b/d) as opposed to a level of production of 6 million b/d that had been attained in September 1978. Withdrawing 4 million b/d from international oil supplies was seen as a catastrophe at the time because a number of industrial countries were heavily dependent on imports of crude oil from Iran.

The percentage of dependence for Germany was 19.1 per cent; for France 9.8 per cent; for Italy 13.2 per cent; for Holland 25.2 per cent; for the United Kingdom 17.9 per cent, and for Japan 18 per cent; Denmark and New Zealand each depended on Iran for over 30 per cent of their crude oil imports.

This triggered an increase in the price of oil which sent the spot crude price for Arabian Light, OPEC's index crude, from \$12.7 per barrel in the fourth quarter of 1978 to \$40 per barrel in the fourth quarter of 1979. It is obvious that this increase stunned consumers and adjustments had to be sought on two levels to limit energy consumption and at the same time to diminish dependence on imports from the Middle East.

The first objective involved rationalisation of energy consumption and diversification of energy sources and as far back as 1974 the industrial countries set targets for themselves. However, these efforts required time and there was some faltering as real prices fell. By 1978, consumption was again increasing at a fast rate. The events of 1979 and the steep rise in price at the

end of 1979 and early in 1980 reemphasised the need to economise in consumption of energy.

Strenuous efforts to conserve energy were again made after a period of partial relaxation and the summit meeting of the industrial countries in Venice in June 1980 set targets for energy consumption which were reduced drastically when compared to earlier projections. In particular, industrial consumers of energy were urged to reduce their dependence on Middle Eastern oil if this was possible.

By September 1980 it was obvious that the presumed inelasticity of price demand for oil had been severed. The ratio linking energy consumption to national income had fallen below 1 to 1 and for oil it had fallen below 0.8. Saudi Arabia's Oil Minister Sheikh Ahmed Zaki Yamani, whose role had become extremely sensitive in the oil industry as Saudi Arabia filled the shortage in supplies brought about by much lower Iranian production, perceived this structural change and emphasised it clearly in a talk given at the Oxford energy seminar at that time.

He urged all producing countries to maintain a price of \$28 per barrel for Arabian Light rather than increase it to \$34 per barrel. Sheikh Yamani showed clearly that demand for oil was falling and that production could drop by more than the size of price increases would otherwise suggest, thereby bringing about a total reduction in oil revenues.

The second development occurred at the same time that Sheikh Yamani was giving these warnings. The Iraq-Iran war broke out in September 1980 and it has affected and continues to affect prospects of Middle East oil and policy-shaping.

By 1979, it had become

clear that Iraq was the second richest country in the Middle East in terms of oil reserves, right after Saudi Arabia. There are estimates that Iraq might even have richer reserves and Iraqi production capacity had been increased to 4 million b/d with the objective of a capacity of 6.5 million b/d before 1985.

But Iraq's major bottleneck was the availability of export outlets. It had a pipeline leading to the shores of Syria and Lebanon capable of transporting 60 million tonnes a year of Kirkuk crude, but its southern loading terminals could not accommodate supertankers until Iraq reached an agreement with Kuwait which established *de facto* acceptance by Kuwait of Iraq's loading operations in the Island of Boubian. War in the Gulf meant that Iraqi exports that had exceeded 3 million b/d fell drastically in spite of the construction of a pipeline linking the northern oilfields in Iraq to Dortyol in Turkey. This line has a capacity of 700,000 b/d and will be increased by the end of this year to 1 million b/d.

In addition to the landlocked position of Iraq, exports through the pipeline to Syria and Lebanon were stopped because of political differences between the Iraqis and the Syrians. These became even more acute with the outbreak of the Iraq-Iran war and Syria chose to support Iran. Sensing the acute difficulty for Iraq from this stoppage of exports through the old IPC pipelines, Iran, which has ports for export beyond the reach of Iraqi bombers, undertook to supply Syria with more oil than it used to get from Iraq. Furthermore, Iran provided the oil on favourable terms and sugared this already sweet pill with 1 million tonnes per year of free crude which the Iranians claim is their

contribution to Syria's confrontation of Zionist and American imperialism. This line of argument put forward as justification for Iranian actions has not, however, prevented Iran from buying armaments from Israel. These include a large quantity of the munitions which the Israelis seized from Palestinian caches in the summer of 1982 in Lebanon.

The war between Iraq and Iran added to fears that already existed. But despite clear indications about the change in the nature of demand for oil, and in particular for oil from the Gulf, producers went ahead with price increases. Furthermore, observers failed to recognise that the Gulf war, rather than restricting supplies, will eventually produce a surplus that would leave oil importers in a stronger position than exporters. This unorthodox view which the author expressed in September 1980 is based on an evaluation of the importance at present of oil revenues to finance the war efforts of Iraq and Iran and to maintain the allegiance of different groups to their regimes. This pressure has made Iran produce and export more than the new regime had declared as its target when it took power and to sell crude during 1982 and 1983 at \$25 a barrel.

This price was a major factor which heralded the third development, represented by the severe decline in prices and production levels which ate into the revenues of the Gulf producers. Meanwhile, Iraq succeeded in persuading Arab Gulf oil producers to export oil on its behalf and for its account. The proceeds of these sales in 1981 and 1982 are estimated at \$30 billion.

More important than the current effects are future expectations about exports from Iraq.

and Iran. Both countries have sustained tremendous damage to their oil installations and loading terminals as well as to their basic infrastructure. These installations and necessary facilities will have to be rebuilt speedily immediately after hostilities are terminated sometime in the future. An estimate of the damage, which is perhaps exaggerated, is provided by Iran's claim for compensation of the order of \$150 billion if it was to agree to stop the war.

A more realistic assessment of costs of reconstruction at new prices and in current dollars ranges between \$60 and \$70 billion. Two-thirds of the damage is in Iran and one-third is in Iraq. Both countries will have to undertake intensive reconstruction if their régimes are to continue in power. They will have to do this in addition to maintaining current expenses for huge bureaucracies and very large imports of food products and other necessities for their peoples. Consequently, both countries have to seek to export as much oil as they can, and this they will be able to do within a year after the end of the war, the intervening period being necessary to reconstitute production, transport and export facilities.

That would mean if the war had ended by the end of 1983, some 7 million b/d of additional supplies would come on the market in 1985; this potential is sufficient in itself to maintain the freeze on oil prices until 1988. Now, with the benefit of hindsight one can say clearly that additional fears arising from the war strengthen conservation efforts in the industrial countries and a shift away from Middle Eastern sources of oil and that future price increases are no longer anticipated until near the end of this decade

because the urgent needs of both countries will cause them to seek to produce and export to the limit of their capacities.

At this point, the third and most fundamental development comes into focus. This is represented by the great success achieved by industrial countries in slowing their energy consumption and in diversifying generally away from oil and, in particular, away from Middle Eastern oil.

In 1982 the energy scene in industrialised countries, the major clients for OPEC oil, was marked by two phenomena: a general weakness of the world economy and a particular weakness in demand for oil. During 1981, energy demand in industrial countries declined by 2.1 per cent whereas demand for oil fell by 6.5 per cent. In 1982, the corresponding figures which again showed declines were 3.5 per cent for energy demand and 5.1 per cent for oil demand.

The weak international demand for oil was accentuated insofar as OPEC oil is concerned, and especially for oil from Gulf countries. OPEC members, and specifically Saudi Arabia, had become the residual suppliers who would make available supplies in a tight market and withhold production during spells when there was a buyers' market. Between 1979 and 1982 OPEC production fell from 31.6 million b/d to 19.7 million b/d. By 1983, this reduction had gone even further as the table shows. (For 1982, average OPEC production did not exceed 18.6 million b/d).

In addition to these reductions in volumes, prices were reduced in March 1983, retroactive to the beginning of the year, from \$34 per barrel to \$29 per barrel for OPEC's



**OPEC production**  
(in million b/d)

	1979	1980	1981	1982
Saudi				
Arabia	9.5	9.7	9.6	5.5
Iran	3.2	1.5	1.3	2.5
Iraq	3.6	2.7	0.9	1.1
Others	14.5	12.8	10.7	9.8
NGL*	0.8	0.9	1.0	1.0
Total	31.6	27.6	23.5	19.9

\* Natural Gas Liquids, a byproduct of gas production.

benchmark Arabian Light crude. Moreover, whereas producers asked for cash payments upon loading of shipments in 1979, 1980 and 1981, credit was reinstituted for an average of 30 days in late 1982. Discounts were no longer the exception and many OPEC countries suffered from mounting international debt and liquidity crises, in particular the more densely populated countries and relatively small producers such as Nigeria, Algeria, Venezuela and Indonesia. In the Gulf countries with extravagant budgets, countries like the UAE cut back expenditures by 50 per cent and others like Kuwait, with production in 1982-1983 down to 35-40 per cent of its production in 1979, did not have enough associated gas to feed their costly capital-intensive petrochemical industries, which had been built on a projection of a continuous production of 2.2 million b/d.

The age of rationalisation hit the Gulf countries with a vengeance. Current income was barely enough to support projected expenditures and the Iraq-Iran war exacted its direct and indirect toll on revenues.

Kuwait, long considered a paragon of prudence, had accumulated some \$75 billion over 20 years but saw one-third of these reserves evaporate because of the drain of funds for Iraq and the need to salvage the Kuwait economy from the consequences of the crash of the unofficial Souk-Al-Manakh stock exchange in 1982.

At present the Gulf oil producers are all seeking a low profile, smaller participation by expatriates in their economies, wider cooperation among the Gulf Cooperative Council members, better maintenance of existing facilities and allocation of resources first and foremost to high-priority projects.

Success in these policies will provide their respective governments with peace of mind even if this is of short duration. Development pressures will surface again before the end of this decade and it is not sure that oil and gas markets will be much improved by then. Even if this were to be the case, Iraq's and Iran's export requirements will flood the market and restrict the ability of oil producers to move prices upwards.

A downward slide in prices would be directed by market conditions. Industrialised countries, however, want to avoid any prospect of another oil crisis and for this reason - and to encourage production of other energy sources - they support the oil price at a higher level than it could be otherwise.

Zeroing in on shorter term developments in international oil markets, it is notable that when the official price of Arabian Light crude was reduced to \$29 per barrel, the spot market price for this grade of crude oil was in neighbourhood of \$28 per barrel. This implied that some exporting countries were offering discounts. Recently, the

Soviet Union has cut the export price of its crude to the West in line with falls in spot prices and further price cuts are expected from North Sea oil producers. A great deal of North Sea oil is marketed by companies or by the state-owned British National Oil Corporation, which is very sensitive to conditions on the spot market; unlike governments or governmental organisations which market OPEC oil, North Sea oil companies cannot match implicit price cuts made by other oil exporters in the form of three months' credit on oil liftings.

Three months' credit represents rebates to the customer derived from interest payments during the credit period. Any European oil company which has a transport, refining and distribution network can load crude from the Gulf and sell it within 30 days. The company therefore gets a two-fold benefit. The first is the interest earned on money the company does not have to pay during the 90-day period of deferred payments; at current rates this is equivalent to \$0.725 on a barrel of oil costing \$29.

The second benefit is the interest earned on revenues accruing to the company from money earned from the sale of refined products within a month of the crude oil being loaded aboard a tanker during the rest of the period while payment is deferred. This amounts to a further gain of about \$0.50 per barrel.

These benefits were reflected clearly in the surging profits of oil companies, in particular those companies with oil transport, refining and marketing operations, namely the majors. Oil companies with integrated operations achieved results in 1983 which were significantly better than during

the previous year even though consumption of oil has undergone a considerable fall. As was illustrated above, implicit price cuts of over \$1.20 per barrel of Arabian Light bring the cost per barrel down to \$27.80, which is 25 per cent below the 1981 benchmark price. Why, therefore, has there not been an improvement in demand for energy, and for oil in particular, since the beginning of 1983?

In our opinion, three factors are to blame:

- The persistent economic recession in most industrial countries with the exception of the US and Japan;

- The application of energy-saving measures in industrial countries, which are now approaching the limits of their effectiveness;

- The improvement in the exchange value of the dollar, the currency in which oil prices are denominated, against other major currencies. This has meant that prices of refined products continued to increase when denominated in currencies other than the dollar; even in the US, prices of refined products did not fall in proportion to the drop in crude oil prices.

All of these factors are due for partial readjustment in 1984 and significant changes can be expected in 1985. Reasonable growth rates will be achieved in most industrial countries in 1984 and the possibilities for further savings of energy will be almost completely exhausted by the end of the year. Indicators already point to these prospects in countries that are most sensitive to such factors, especially Japan. The exchange rate for the dollar must drop vis-a-vis most other currencies before the end of the summer of 1984.

These changes will lead to increased demand for oil and gas beginning early in 1984 and

there will be an acceleration of increases in demand as time passes along with a decline in the real cost of oil and gas when compared with other sources of energy. Signs of these trends were reflected in a slow-down of production of coal in France and the suspension of conversion in Japan from generation of electricity by using gas to the use of coal.

The effects of the reduction in the price of OPEC's benchmark crude had a marked impact on prices of crude sold by exporters who are not members of the organisation. This can be seen in the prices given below for some important crudes exported to the US during the second quarter of last year. The prices are fob at the export terminal and the export terminals and loading ports involved are generally closer to the US than those in the Arabian Gulf. There are thus considerable savings to be made by buying these crudes.

Crude oil prices for  
exports to the US  
(April-June, 1983)

Crude	Price per barrel
Mexican	\$25.68
Crudes superior to Arabian Light	
British	\$29.58
Nigerian	\$29.96
Norwegian	\$29.03
Heavy crudes	
Canadian	\$24.70
Venezuelan	\$21.01
Egyptian	\$26.12

It should be noted that oil imports by the US peaked in 1977, when exports from OPEC countries represented 82 per cent of total imports by the US. At that time, total exports by OPEC countries to the US amounted to 5.7 million b/d; in the second half of 1983, these exports totalled 1.2 million b/d. OPEC thus accounted for only 32 per cent of imports of oil by the US during the last two quarters of last year while sales by non-members rose to 68 per cent. Exports by Britain and Mexico alone represented 40 per cent of US imports of oil. These changes doubtless reflect American wishes to limit their country's dependence upon oil imports from the Arabian Gulf as well as the effects of differentials between posted prices and prices charged by other competitors.

Despite these changes and the fall in oil prices, it is now certain that consumption of oil products will increase with the beginning of the second half of 1984 while the real price of oil to consumers will freeze at around \$27 per barrel. These projections are supported by a study released recently in the US showing that the cost of producing electricity using nuclear energy exceeds the cost of generating electricity by using fuel oil at current prices. Since oil prices denominated in dollars are expected to stabilise for a fairly long period, and because this would lead to a fall in the real price of oil while costs of nuclear energy continue to rise, the difference in the costs of these two sources of energy will continue to widen in the future.

JOINT VENTURES IN ARAB WORLD EXAMINED

Beirut AN-NAHAR ARAB REPORT & MEMO in English No 2, 9 Jan 84 pp 12-21

[Text]

Joint ventures, in particular those that bring together foreign technology and Arab capital, are a commonplace in the Arab world. More rare are joint ventures between Arab partners in different states and most of these inter-Arab joint ventures are the result of initiatives by Arab governments and organisations to promote regional economic cooperation and integration.

Working together in this way has not been easy, as is shown in a recent study by Dr Elias Ghan-tous, the Assistant Secretary-General of the General Union of Arab Chambers of Commerce, Industry and Agriculture for Arab Countries. Dr Ghan-tous cites a number of problems encountered in the creation of inter-Arab joint ventures, notably the need for them to operate within a network of narrowly defined economic policies of the different Arab countries.

"This is sometimes entwined with a lack of political will for economic cooperation beyond a certain point," Dr Ghan-tous comments, adding that "there is a general presumption that only when it comes to the assessment of the economic implications and requirements of joint ventures that governments start to show reticences. This can be taken to suggest that in some cases Arab joint ventures have been induced

by the direct financial returns expected from them rather than by the desire for integration."

As Dr Ghan-tous sees it, the central problem for Arab joint ventures is the "lack of an appropriate economic and political framework on the regional level."

Arab markets, he noted, are generally very fragmented because of tariff and non-tariff trade barriers. Arab countries which do not export oil have, in his opinion, adopted excessively protectionist policies to promote industrialisation intended to provide local substitutes for imported goods. "The experience of the Arab Common Market (Syria, Iraq, Egypt, Jordan and Kuwait) illustrates vividly the difficulties in dismantling protective barriers and the resort to state trading as a means of halting market forces," Dr Ghan-tous writes.

Arab states which export oil have markets that are largely unprotected, but other Arab man-

ufacturers have often found it difficult to penetrate these markets because their goods must compete against imports from manufacturers outside the region. And although Dr Ghantous points to the great strides made in the last decade to improve transport and communications between Arab countries, difficulties in these sectors can sometimes limit expansion of trade, especially where large stretches of desert between population centres serve as a natural barrier.

"The smallness of the market therefore presents usually a major constraint for joint ventures and unless there is a preferential trading system to support large-scale joint ventures, much of the benefits expected from forming them would be lost," Dr Ghantous asserts.

On the supply side, Dr Ghantous pinpoints two serious constraints to Arab joint ventures. The first is that capital markets in most Arab countries are still under-developed and inter-dependence between these markets is still very limited. "In fact," he writes, "the larger part of capital flows within the region are public funds, taking the form of loans or aid as well as inter-governmental investments (i.e. joint ventures)."

The second factor hindering this form of economic integration, according to Dr Ghantous, is restriction on the movements of labour in the region despite the rapid expansion of the labour market in the past 20 years due to economic development in the oil-rich states. He concedes that the Arab Labour Organisation has been able to work out a number of multilateral agreements to make movements of workers easier, "but they are of little practical significance."

The result, he writes, is that there can be shortages of labour in many Arab countries "and this naturally leads to an increase in wage levels. Hence, the lack of an

appropriate system to facilitate the movements of factors of production (capital and labour) within the region presents a major constraint for the creation and operation of joint ventures."

Another problem is planning — or the lack of it. "It is obvious," Dr Ghantous writes, "that the success and durability of any joint venture depend on its compatibility with national economic and social objectives. There must be mutual interests between joint ventures and the host country.

"The lack of a well-defined development strategy in the host country would be a source of problems for joint ventures," the study comments. "With respect to the Arab countries, it is noticed that although they have experienced a number of development planning cycles, most of them have not yet formulated well-defined long-term development strategies.

"For instance, there is a lack of clarity with respect to the scope of the private sector, especially in the countries which have diversified resources and, accordingly, a wider horizon for development. Syria, Iraq and Egypt can be cited as examples. In addition, it proves difficult in certain countries for Arab joint ventures to obtain detailed economic and marketing information necessary for their planning and operations."

Lack of efficient infrastructure, most notably in countries still experiencing the early phases of economic development, is cited by Dr Ghantous as another serious problem for joint ventures. "It has been suggested," he writes, "that a part of the loanable funds of the national and regional development institutions ought to be geared towards the building of such infrastructure for Arab joint ventures."

Perhaps the most glaring example of inadequacy of infra-

structure has been the Kenana sugar scheme in Sudan, where huge overruns in costs mean that many economists believe this Arab joint venture may never become a paying proposition (although its production of sugar to replace imports is of considerable value to a country with perennial problems over foreign currency earnings). An entire sugar refinery had to be dragged overland across extremely rugged territory because there were no roads.

Dr Ghantous admits that some Arab joint ventures have been in existence for too short a period to permit valid judgments on their performance. But he stresses that the picture is by no means a black one and that organisations and agreements are now in being to foster new joint ventures between Arabs. "Almost all economic agreements concluded between the Arab countries since the early 1950s recognise the importance of joint ventures in the realisation of regional objectives," he notes, adding that it is, however, "only in the last decade that the creation of Arab joint ventures has assumed significant proportions in regional economic action and is considered now as the most feasible approach to cooperation and integration."

The first steps towards cooperation were taken in 1953, according to the study, with the adoption of a preferential tariff system by a number of Arab states. This was followed in 1964 by an Arab Economic Unity Agreement which in turn led to the creation of an Arab Common Market.

But, Dr Ghantous stresses, "in the absence of any serious policy measures to coordinate national investment policies, these major schemes had little impact on intra-regional trade expansion and specialisation. In-

deed, the Arab countries at present display a marked degree of overlapping in productive structures and their trade exchanges do not exceed 5 per cent of their total foreign trade."

Kuwait's pioneering initiative to establish the Kuwait Fund for Arab Economic Development was followed by Abu Dhabi, Iraq, Saudi Arabia and Qatar, which each set up their own funds, the study notes. Kuwait also led the way in conceiving and promoting the creation of the Arab Fund for Economic and Social Development and the Inter-Arab Investment Guarantee Corporation, which were likewise moves that favoured Arab joint ventures.

At the same time, Dr Ghantous points out, a number of Arab countries seeking capital for joint ventures from the oil-rich states have amended their investment laws, giving preferential treatment to investments from other Arab states or at least treating them on a par with local investments insofar as tax exemptions and other fiscal concessions are concerned.

While Dr Ghantous states that "one must recognise that the formation of joint ventures plays only a minor role in the regional flow of funds," he nonetheless asserts that "these factors (mentioned above) have precipitated a strong preference for joint ventures among the Arab countries, with the various regional organisations playing an important catalytic role."

Dr Ghantous divides Arab joint ventures into three broad categories. The first type is intended to act in a general way to strengthen regional and sub-regional economic cooperation and integration. These joint ventures, he says, have been the main focus of activity by the Arab League and the Council of Arab Economic Unity (CAEU).

The Arab Economic Council of the Arab League was the first

organisation to foster the establishment of joint ventures, Dr Ghantous writes. But its success was very limited: only one joint venture actually came into being under its sponsorship since 1956. This is the Arab Potash Company, set up in Jordan to exploit the mineral resources of the Dead Sea, with an initial capital of JD 4.5 million. Jordan, Saudi Arabia, Egypt, Syria, Kuwait and Lebanon all subscribed to the venture, as did private Arab investors and the Arab Bank.

Other ventures were approved by the council but did not get beyond this planning phase. They were the Arab World Airlines Corporation (1961), the Arab Oil Tankers Corporation and the Arab Maritime Company (1963). A joint venture for Arab tankers was, however, undertaken much later by the Organisation of Arab Petroleum Exporting Countries (OAPEC), Dr Ghantous writes.

The CAEU adopted as a policy in 1973 the need to set up joint ventures and their importance in the process of Arab economic integration, the study states, and Arab states which were not then members of the council were allowed to contribute to the capital of its joint ventures as shareholders. Four Arab joint ventures have been established by the CAEU with a total capital of about \$1.5 billion, concentrating on mining (other than oil), food production, pharmaceuticals and engineering.

A characteristic of CAEU joint ventures, according to Dr Ghantous, is that once a board of directors has been chosen they are totally independent from the CAEU. Each venture is conceived as a holding company which can manage subsidiaries and branches from its headquarters and the parent company and its subsidiaries are supposed to establish forms of cooperation at both national and regional levels on topics ranging from pure research

to field studies.

The CAEU wants to give priority to joint ventures which aim to play one or more of five different roles, Dr Ghantous writes. These are: to exploit available Arab resources; to improve the welfare of Arab citizens; to develop basic industries; to increase food supplies; and to increase intra-Arab trade and exports.

The inter-governmental agreements setting up these joint ventures share three common characteristics, according to Dr Ghantous. These are that the capital to the joint venture must come entirely from Arab governments or from companies named by those governments and must be entirely Arab, that priority be given to investments in Arab states and that management must be along commercial lines.

The CAEU has also been instrumental in helping to set up sectoral federations (see table 2), working often in conjunction with the Arab Industrial Development Organisation (known until 1980 as the Industrial Development Centre for Arab States). These federations are designed to help in rationalisation of existing industries through cooperation on technical issues, training and research and to promote the creation of joint ventures. Membership of these federations is restricted to organisations or companies operating in Arab countries and with at least 51 per cent Arab ownership.

The second type of Arab joint venture is intended to promote integrated development in a selective sector of the economy, according to Dr Ghantous, who notes that OAPEC has been especially active in this field since its creation in 1968. Five large-scale joint ventures have been undertaken and their aim is not only the rationalisation of the use of resources of member states but also to reduce dependence upon the non-

Arab world.

"These joint ventures are creating gradually a community of interests among the OAPEC countries in the fields of maritime transport of hydrocarbons, ship-building and repairs, oil investments and production services, and oil engineering consulting," Dr Ghantous writes.

Dr Ghantous sees the creation of the Gulf Cooperation Council as a promising new source of joint ventures intended to integrate development in the six-member states — Saudi Arabia, Kuwait, the UAE, Bahrain, Qatar and Oman. He notes that the Joint Economic Agreement among members of the Gulf Cooperation Council provides for easier movement of goods in trade and transit, coordination of import/export policies and regulations as well as for freedom of movement for capital and citizens of member-states.

Article 9 of the agreement states specifically that GCC countries will encourage their private sectors to establish joint ventures and calls for coordination of development plans so that industries can be allocated to member-states in accordance with the principle of comparative advantage. The new Gulf Investment Corporation, with a capital of \$2.1 billion contributed in equal portions by the six GCC countries, can likewise be expected to yield a crop of joint ventures.

The GCC agreement was concluded in 1981 but the study points out that efforts to create closer economic ties in the Gulf antedates this accord. The Gulf Organisation for Industrial Consulting (GOIC) was established in 1976 to collect and provide information on projects and industrial policies in the Gulf states, to make proposals for joint industrial projects, to promote technical cooperation and to help evaluate projects.

GOIC is based in Qatar and its membership includes Iraq as well as the six GCC countries. It has been active in fostering joint ventures, which include the Gulf Petrochemical Industries Company in Bahrain, a joint venture for Bahrain, Saudi Arabia and Kuwait. Another joint venture sponsored by the GOIC is the Gulf Aluminium Rolling Mill Company, which is a joint venture in which all members of GOIC are participating.

Other joint ventures have been undertaken by Gulf governments, notably Gulf Air, which is jointly-owned by the UAE, Bahrain, Oman and Qatar, the United Arab Shipping Company which was formed around the nucleus of Kuwait's national shipping company and is now a joint venture owned by the UAE, Bahrain, Saudi Arabia, Iraq and Qatar as well as Kuwait. Yet another highly successful joint venture is the Gulf International Bank, which was set up in 1975 by the governments of the UAE, Bahrain, Kuwait, Saudi Arabia, Iraq, Oman and Qatar.

The third category of joint ventures identified by Dr Ghantous is joint enterprises intended to develop a sector or industry in one or more countries with regional goals or markets in view. AFESD, according to the study, has assumed a dominant role in establishing joint ventures of this type and the inter-governmental agreement setting up the fund affords priority to financing economic projects deemed vital to the "Arab entity" as well as to Arab joint ventures.

AFESD has therefore given pride of place to joint ventures intended to meet five target sectors, Dr Ghantous writes. These are:

— To link Arab countries in an integrated fashion by developing transport and communications networks, electricity grids and seaports as well as the devel-



Table 1 - Arab Joint Ventures Sponsored by Council of Arab Economic Unity				
Joint ventures	Date Established/ Operation	Location	Capital	Subscribers
Arab Mining Company	1974/1975	Amman	KD 120 million	Jordan, UAE, Tunisia, Saudi Arabia, Sudan, Syria, Somalia, Iraq, Kuwait (Kuwait Foreign Trade, Contracting & Investments Co.), Libya, Egypt, North Yemen, Morocco, South Yemen, Mauritania, Arab Investment Co.
Arab Company for Development of Animal Resources	1974/1975	Damascus	KD 60 million	Jordan, UAE, Saudi Arabia, Sudan, Syria, Somalia, Iraq, Qatar, Kuwait (Kuwait Foreign Trade, Contracting & Investments Co.), Egypt, North Yemen, Arab Investment Company.
Arab Company for Pharmaceutical Industries and medical Appliances	1975/1976	Amman (previously Cairo)	KD 60 million	Jordan (Jordan Retirement Fund), Jordan (Arab Company for Pharmaceuticals), UAE, Tunisia, Saudi Arabia, Sudan, Syria, Iraq, Palestine, Qatar, Kuwait, Libya, Egypt, North Yemen, South Yemen.
Arab Company for Industrial Investments*	1978/1978	Baghdad	ID 150 million	Jordan, Tunisia, Saudi Arabia, Syria, Iraq, Kuwait, Libya, North Yemen, Morocco.
Under formation Arab Company for Printing Arab Investment Co. for Land Transport KD = Kuwaiti Dinar      ID = Iraqi Dinar				

\* This Company was originally established by Iraq and Egypt, before being transformed into a joint venture.

Table 2 - Arab Joint Ventures Sponsored by Organisation for Arab Petroleum Exporting Countries				
Joint Ventures	Date Established/ Operation	Location	Capital	Function
Arab Maritime Petroleum Transport Co. (AMPTC)	1972/1973	Kuwait	\$500 million	To find means for supporting Arab maritime companies undertaking petroleum transportation, and to develop maritime transport training.
Arab Shipbuilding & Repair Yard Co. (ASRY)	1973/1977	Manama (Bahrain)	\$300 million	To develop Arab ship industry and train nationals of member-states in shipbuilding, repair and maintenance. Operations started by building dry-dock in Bahrain, where a special program for training is organised. In 1981, dry-dock was operating at 89 per cent of capacity.
Arab Petroleum Investment Corporation (APICORP)	1974/1975	Dammam (Saudi Arabia)	SR 3600 million	To contribute in financing petroleum projects and industries and related fields, ancillary or complementary to such projects and industries, with priority given to Arab joint ventures.
Arab Petroleum Services Co. (APSC)	1975/1976	Tripoli (Libya)	LD 100 million	To set up specialised companies in various branches of petroleum services and make available Arab manpower to support its objectives.
Arab Engineering Consulting Co.	1981	Abu Dhabi	\$20 million	To render services in engineering consulting in the oil industry.

opment of related infrastructure;

- To promote discovery of natural resources in areas of interest to two or more countries which can be developed jointly;

- To expand and develop the industrial base in the Arab world through engineering and high-technology industries which have a regional comparative advantage;

- To develop the productive capacity of Arab agriculture and food production, including the development of regional water resources and rivers belonging to more than one country such as the Nile and the Euphrates;

- To develop and support training and research institutions as the centrepiece for development of Arab manpower.

In addition to financing a number of projects intended to further these aims, AFESD has also financed studies on possible Arab joint industrial ventures, Dr Ghantous notes. These include iron and steel, tractors and agricultural implements, white cement, insecticides and paper.

AFESD's biggest venture, however, is the Arab Authority for Agricultural Investment and Development (AAID) in Sudan. This was set up with an initial capital of KD 150 million (\$510 million) contributed by Arab governments and its development programme is supposed to stretch over 25 years.

In the early days of the oil boom in the 1970s, Sudan was often referred to the "breadbasket of the Arab world." The phrase is seldom heard now, however, because of Sudan's chronic economic difficulties. "It must be admitted," Dr Ghantous writes *à propos* of AAID, "that the implementation of this programme is greatly hindered by the lack of harmony with the national development of Sudan, smallness of the capital relative to the objectives of the programme and the need for huge investments in Sudan's infrastructure."

An important contribution to Arab joint ventures of the third category, according to the study, is the Arab Investment Company which began operations in Riyadh in 1975 with a capital of \$290.5 million provided by 15 Arab governments. Saudi Arabia, Kuwait and Abu Dhabi each contributed \$45 million to AIC's capital, Iraq \$30 million, Qatar \$23.5 million, Sudan, Egypt, Syria and Libya \$20 million each, Tunisia and Morocco \$5 million apiece and Jordan and North Yemen \$1 million each.

AIC is owned by the Arab governments but it focuses its attention on the private sector and commercially-oriented enterprises, the study states. Its aim is to support public and private Arab investments institutions and to promote a regional financial market and Dr Ghantous comments that "it seems that its multilateral nature is giving it protection against the influence of the policies of the participating governments."

AIC had contributed \$137 million to the equity of 23 projects located in 10 Arab countries by the end of 1982, the study shows, noting that this sum excluded loans to projects. AIC has a significant involvement in the Kenana Sugar Company and has participated in two ventures created by the CAEU, the Arab Mining Company and the Arab Company for the Development of Animal Resources.

Another investment company along similar lines is the Arab General Investments Company which was sponsored by the General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries. The company is based in Dubai and has an authorised capital of Dirhams 700 million (\$190 million) provided by private investors from Jordan, Lebanon, Syria, Sudan, Saudi Arabia, Kuwait, Qatar, the UAE and

Table 3 -- Functional Federations Established Among Arab Countries

	Date Established	Location	Sponsoring Agency	Members
Arab Iron and Steel Union	1971	Algiers	CAEU	Algeria, Qatar, Tunisia, Libya, Mauritania, Saudi Arabia, Lebanon, Syria, Kuwait, Egypt, Iraq, Sudan, UAE, Jordan.
Arab Federation for Textile Industries	1975	Damascus	CAEU/IDCAS	Egypt, Algeria, Jordan, Sudan, Syria, Iraq, Libya, Saudi Arabia, Morocco.
Arab Federation for Chemical Fertiliser Producers	1975	Kuwait	CAEU/IDCAS	Algeria, Jordan, Iraq, Kuwait, Egypt, Lebanon, Syria, Morocco, Libya, Tunisia, Qatar, Saudi Arabia, Bahrain, UAE.
Arab Federation of Engineering Industries	1975	Baghdad	CAEU/IDCAS	Iraq, Tunisia, Jordan, Algeria, Kuwait, Egypt, Lebanon, Saudi Arabia, Syria, Morocco.
Arab Federation of Fish Producers	1976	Baghdad	CAEU	Tunisia, Sudan, Iraq, Egypt, Algeria, North Yemen, South Yemen, Kuwait, Syria, Palestine, Mauritania, Somalia, Libya.
Arab Federation for Food Industries	1976	Baghdad	CAEU	Iraq, Egypt, Saudi Arabia, Tunisia, North Yemen, South Yemen, Palestine, Libya, Jordan, Syria, UAE, Morocco, Kuwait.

	Date Established	Location	Sponsoring Agency	Members
Arab Federation for Seaports	1977	Basra (Iraq)	CAEU	Jordan, Sudan, Tunisia, Iraq, Palestine, Libya, North Yemen, Egypt, South Yemen,
Arab Federation for Cement and Building Materials	1977	Damascus	CAEU/IDCAS	UAE, Tunisia, Algeria, Syria, Sudan, Iraq, Kuwait, Libya, Egypt, Jordan, Saudi Arabia, North Yemen, Morocco.
Arab Federation for Paper Industries	1977	Baghdad	CAEU/IDCAS	Jordan, Iraq, Egypt, Libya, Sudan, Algeria, Tunisia, North Yemen, Syria, Morocco, Kuwait, Saudi Arabia, Palestine, Lebanon.
Arab Federation for Sugar	1977	Khartoum	CAEU/IDCAS	Morocco, Syria, Iraq, Somalia, Egypt, Sudan.
Arab Federation for Land Transport	1978	Amman	CAEU	Jordan, Kuwait, Iraq, Tunisia, Saudi Arabia, North Yemen, Libya.
Arab Federation for Leather Industries	1978	Damascus	CAEU/IDCAS	Syria, Jordan, Iraq, Libya, North Yemen, Tunisia, Morocco, Algeria.
Arab Federation for Shipping	1979	Baghdad	CAEU	Iraq, Syria, Palestine, Jordan, Libya, Kuwait, Algeria, Lebanon, Morocco, Tunisia, Qatar, Saudi Arabia, Somalia, North Yemen.
Arab Federation for Railways	1979	Aleppo (Syria)	CAEU	Jordan, Iraq, Palestine, Libya, Morocco, Tunisia, Syria, Lebanon, Algeria.

NB: These federations include in their membership enterprises from private, public and mixed sectors.  
Their policies and activities are governed by their boards and general assemblies.

Tunisia. AGICO has three goals:

- To identify areas for capital investment on both national and regional levels, with preference given to projects which help promote linkages between Arab countries and regional development;

- To create other companies to promote investment in industry, agriculture and commerce in Arab countries;

- To promote the exchange of financial stocks between Arab countries.

AGICO has been granted special privileges by the law under which it was established three years ago. Its assets or activities cannot be nationalised or subjected to any other measure which would endanger private interests involved in the company. In add-

ition, it is exempted from customs duties on goods it imports, from all excise duties and from observance of regulations governing the numbers of nationals it employs, with all non-local personnel being given the necessary facilities to enter the host country and live there.

AGICO, according to Dr Ghantous, has not yet embarked on any significant investments. It has, however, undertaken investment studies in Tunisia, Sudan, Morocco and North Yemen in 1982. Dr Ghantous says that this inactivity "could be partly explained by the preference displayed by the company to invest in stocks and other profitable financial operations, including interest-bearing deposits."

CSO: 4400/141

# GULF PHARMACEUTICALS IMPORTS RISE

Doha GULF TIMES in English 21 Jan 84 p 12

[Text]

While the market for pharmaceuticals in the Gulf area continues to improve, that for medical equipment shows signs of levelling off. This is the general conclusion reached by Worldwide Medical Markets after studies in the Cooperation Council for the Arab States of the Gulf members.

The studies which were launched in London yesterday took four months to complete by Worldwide Medical Markets — an in-

ternational market research organisation.

The statistics used in the studies are based on the export figures from the major European suppliers, plus the USA and Japan, and represent about 85% of the total for each of the CCASG states — Qatar, Saudi Arabia, the UAE, Bahrain, Kuwait and Oman.

The market for medical equipment in these countries declined from \$245m in 1981 to \$244m in 1982. Over two thirds went to

Saudi Arabia and sales there fell by \$7m to \$170m.

Imports rose in Bahrain, from \$2.3m to \$3m, Kuwait, from \$20m to \$22.5m, Qatar from \$7m to \$8.2m, and the UAE, from \$32.3m to \$34.3m.

Other than Saudi Arabia only Oman imported less in 1982 than in 1981, \$5m against \$5.8m.

Nearly three quarters of all the medical equipment supplied came from three nations, USA, UK and West Germany. The USA exported goods worth over \$78m

in 1982, which was more than \$2m less than in the previous year.

Sales by West Germany rose by almost \$4m to \$49m, while the UK increased the value of its exports from \$47m to \$51m. As for the other supplying nations, sales by Italy declined by 28% to \$14m and France's remained at just over \$8m. Japan took up less than 2% of the total.

The market for pharmaceuticals rose by 28% from \$445m in 1981 to \$561m. Sales to Saudi Arabia made up 76% of the 1982

total compared to 72% of the 1981 one.

Saudi imports therefore rose by about a third to \$430m. Exports to Kuwait rose from \$37.4m to \$46m and those of the UAE from \$49.5m to \$52m.

Sales to Bahrain and Qatar both fell by \$900,000 to \$6m and \$8.6m respectively, while the Omani market was steady at about \$18.8m.

The UK was the leading supplier in both years, with sales rising from \$115m to \$159m.

CSO: 4400/145

## DECISION-MAKING PROCESS IN COUNTRY EXAMINED

London JAMAHIRIYA INTERNATIONAL REPORT in English 20 Jan 84 p 6

[Article by Jon Berman]

## [Text]

MASS PARTICIPATION lies at the heart of the Libyan Jamahiriya's revolutionary system of democracy. The notion of people surrendering their own political initiative and opinions to an elected representative is firmly rejected as distinctly undemocratic in nature, and open to corruption by a powerful and articulate elite. In Libya there are no constituencies or voting districts. Ordinary citizens meet regularly, whether in their localities or in their workplaces, to make their own political choices and determine their own attitude to Arab and world issues which affect their lives.

From the outset, the Libyan Revolution has expressed strong reservations about the formal and exclusive style of Westminster or American democracy. In the *Green Book*, Libyan leader Muammar Qadhafi has clearly voiced Libya's dissent from all forms of parliamentary or representative democracy. Says the Libyan leader: 'Parliaments have become a legal barrier between the people and the exercise of authority, excluding the masses from power while usurping sovereignty in their place.' He adds: 'Under such systems, the

people are victims, fooled and exploited by the political bodies.'

Following the overthrow of the autocratic Libyan monarchy on 1st September 1969, Libya's new revolutionary authorities dedicated themselves to the creation of a new form of democratic society, in which political power was collectively exercised by the Libyan people. In the next few years the country's political and administrative structure underwent a dramatic transformation. From 1973 onwards the functions of government were subsumed by revolutionary committees, as the Libyan people grew in confidence and experience at running their own affairs. Slowly the whole apparatus of the state was stripped of its rights and prerogatives.

Within the short space of eight years, the process of transition in Libya completely shifted the basis of power in the country. Finally the Libyan state itself was abolished. With the Sebha declaration on 2nd March 1977, the *jamahiri* system of popular power was inaugurated. Automatically traditional government in Libya ceased to exist. All ministries were supplanted by people's committees, headed

by a directly accountable secretariat and a secretary responsible for administration. The posts of president and Head of State were dispensed with, whilst the Libyan Arab Republic, proclaimed after the toppling of the monarchy, became the Socialist Peoples Libyan Arab Jamahiriya. In Arabic 'jamahiriya' stands for 'state of the masses'.

The significance of the Sebha declaration should not be lost. For the first time in human history a revolution had not degenerated or become tainted with the abuse of political power. Uniquely, the Libyan revolution retained its popular character. It was clearly a major political breakthrough in the world's political development. Libya had achieved the objective of a society free from oppression and exploitation, which had always motivated revolutionary movements. With this crucial breakthrough, Libya has inevitably become what Muammar Qadhafi has called 'the cornerstone of a new era, the Era of the Masses, in which every matter is resolved in the masses' interest'.

The foundations of this new form of society are a network of Basic Peoples Congresses. These are vital decision-making meetings held reg-



ularly in every single local community across Libya, including rural villages as well as urban neighbourhoods. All citizens are entitled to attend, and are actively encouraged to participate by the country's revolutionary leadership. Though split up into geographical areas, their proceedings are not restricted to local affairs. The Basic People's Congresses have a right to discuss and formulate policy on any issue of interest, ranging from developments in their own vicinity to events of global importance.

Each BPC has a secretariat chosen by the local people to administer its affairs and carry out resolutions. In the larger towns and cities, the local BPCs can join together to form Municipal People's Congresses, which also have their own secretariats. The arrangement helps as a useful method of co-ordinating BPCs in the area, but does not alter the facts that the BPCs are themselves the crucial units of democracy in Libya. Political policy in Libya stems directly from the grassroots decisions of the BPCs. Each is a sovereign body in its own right.

Complementing the geographically-organised BPCs, are their workplace equivalents, in factories and offices throughout the Jamahiriya. Each has its own secretariat, drawn from members of the workplace, and is responsible for implementing resolutions passed during meetings of the BPC, and for liaison with Libya's professional associations and trade unions. Universities and educational institutions also have BPCs, whilst efforts are under way to extend the system to the armed

forces in the country.

Both types of BPC are assisted in the discharge of policy by a series of people's committees in separate areas of responsibility, such as health, education and roads. Chiefly consisting of specialists, the committees, however, have no independent policy-making powers. Any recommendations are referred back to the BPC for decision. In a Third World society with a rapidly expanding development programme this is a vital factor countering any tendency towards the formation of a technocratic elite. In Libya, all specialists and experts serve the people to whom they are accountable.

To prevent the confusion of conflicting policies among the various BPCs, as well as to co-ordinate policy for the whole country, a General People's Congress composed of the Secretary and Assistant Secretary of all the BPCs meets annually. Resolutions on the agenda submitted from the BPCs throughout the country are voted on by a straight majority of those present, without amendment or composition. The Congress is convened in session by the GPC Secretary General, currently Mohammed Zarouq Rajab, who is empowered to draw up the agenda, but not to introduce new resolutions or effect any changes.

Once approved by the GPC all resolutions are carried out in the same way as local policies. People's committees, for each separate department of the country's affairs, such as housing, health and foreign liaison, are charged with the task of directing and introducing the policy, though, like local people's committees, they have no powers over the actual

nature of the policy. Each committee has its own secretariat and secretary, directly accountable to the committee. To assure accountability, members of the committees are selected by the annual session of the GPC.

The nearest Libya comes to what is called a cabinet in traditional western democracies is the General Popular Committee, which meets regularly under the chairmanship of a Secretary-General, at present Jadallah-Azuz Talhi. Meetings of the Popular Committee are attended by the secretaries of the people's committees. The most outstanding difference to parliamentary democracies is in the relationship of power. In the *jamahiri* system, the popular committee is directly accountable to the Libyan people through the popular committees, and its performance is closely monitored and scrutinised by the GPC and the BPCs.

In traditional parliamentary democracies, ministers and elected representatives are really only accountable to the public at election time.

It is not surprising that the idea of the *jamahiri* system is rapidly gaining ground in the Third World. For the oppressed in all countries, Libya has become a symbol for ridding the globe of fascism, racialism and reaction, the world of exploitation, injustice and the threat of war. Since the advent of the Al Fateh Revolution, the new society being built in Libya has engendered much enthusiasm and interest. Muammer Qadhafi's vision of a new civilisation rising from the desert is being dramatically confirmed.

PENETRATION OF CHINESE, HUNGARIAN MARKETS REPORTED

TA070918 Tel Aviv DAVAR in Hebrew 7 Feb 84 p 1

[Report by Hayim Bi'or]

[Text] Koor Sahar [a large commercial firm] has begun to penetrate markets in the People's Republic of China. Over the past 6 months the company has marketed products from Israeli factories in this country on a scale of \$5-6 million.

A senior source in Koor Sahar believes that trade with China can be expected to increase in the coming year. The Israeli products being sold to that country include agricultural medicaments.

This April Koor Sahar is to open a representation in Budapest. It has not yet been agreed whether the representation in the Hungarian capital will be headed by an Israeli or someone local. It will be noted that trade with Hungary has been on an upswing over the past year and that country's economic situation is relatively stronger than that of Romania, for example.

In contrast to this, over the past few months Koor Sahar has closed no less than five representations because of the lack of economic viability. This refers to representations in Colombo, the capital of Sri Lanka; Caracas (Venezuela); Sao Paulo (Brazil); Stockholm; Athens; and Nicosia. The representation in Nicosia was particularly important as an interim stop for Israeli products to third countries, because the Greek Cypriot market did not justify the existence of a special representation. However, Israeli products intended for third countries have recently been passing through Europe.

In Greece Koor Sahar is scheduled to work together with the Makhteshim plant in Beersheba, which belongs to Koor, and establish there a new company that will deal with marketing of pest control and fertilizer materials.

Currently Koor Sahar operates 42 representations throughout the world, of which 90 percent are direct representations.

CSO: 4400/152

UMM AL-FAHM OFFICIALS DISCUSS LOCAL ISSUES

Haifa AL-ITTIHAD in Arabic 6 Sep 83 p 3

[Article by Nasim Abu-Khayt: "The Umm al-Fahm Democratic Front Before and After the Election Scrap; Chairman of the Umm al-Fahm Local Council, Abu-Majid, Participates in Selecting His Successor to Chair the Local Council: Professor Hashim Mahamid"]

[Text] Perhaps the most important issue in Umm al-Fahm, which focuses the attention of most of the people of this community, is the severe overcrowding problem which has suffered from neglect by the authorities during the past decade. It is enough to call attention to the fact that the authorities have not to this day settled on a schematic layout for the village in order for us to comprehend the seriousness of the consequences of this neglect and its effect on the lives of people. This town, which had its lands seized, and only has a small plot surrounding the village, which will be used up within a few years--is appointing its residents to solve the space problem, or "the population explosion" as it is called, without a plan and without financing, and somehow agree! The consequences of this severe overcrowding, which may have no equal in the country, is reflected in the melee over every meter of land and in the crowding of houses and of streets in an unbearable fashion!

How can any local council administration, no matter what its aspirations and no matter how willing it is to work for development of the village contend with this problem, especially since the battle today is the foundation for agreement on the layout of a schematic map of the village?!

Whatever the case, and Umm al-Fahm's business is the concern of the rest of the Arab villages and cities in this country, she faces numerous problems and developmental issues. What has been accomplished despite all these difficulties, and what are the aspirations and tasks put before the leadership of the next local council?

In Umm al-Fahm our representative met with the chairman of the local council, Hajj Muhammad Mustafa Mahamid, as well as the new candidate of the Front to chair the council, Professor Hashim Mahamid.

The Hajj (Abu Majid) was asked: How do you outline the period of your leadership of the local council as a representative of the Democratic Front?

Abu Majid: The Front means unity. And the Front gives it candidate the awareness that he represents all the people in his community, and that he is to deal with them on this basis. I believe that it is no coincidence that the people select the Front's candidate for the chairmanship from a number of persons nominated for this post. Through this unity the local council can accomplish a great deal. The credit for this cooperation belongs to the council members and the people respond to them. The percentage of taxes paid has been among the highest averages in the country, 95 percent.

[Question] What are the projects that you planned but could not carry out?

[Answer] All the issues and projects that we planned were either carried out or work has begun on them. In the sewer project for instance 4 kms were completed but the main obstacle to completion and connecting up the work has been the withholding of loans by the authorities.

[Question] What about the schools and schooling?

[Answer] The matters of schooling and the building of schools have been and will continue to be among the issues of concern to the leadership of the local council. We are suffering from a classroom shortage amounting to approximately 70 classrooms, and the students of four entire schools are studying in rented rooms. But we have accomplished much and have built new schools, like the completed secondary school, the Khansa school, and others. At present the local council has drawn up plans for building schools up to the year 2000. That is, a school plan for satisfying the need for the community for the building of schools. These days preparations are underway for building four primary schools and the building of another story on the al-Khiyam school has been approved.

[Question] Are there other problems that have been surmounted?

[Answer] We have replaced a large part of the water system and have acquired two more tractors and a pump for overcoming the health problems.

[Question] Hajj Abu Majid, did you have a part in selecting the Front's candidate, who will succeed you in chairing the council?

[Answer] Yes I did have a part in choosing the Front's candidate because I see in him the quality of one who takes responsibility, and I hope he will be an outstanding successor to complete the task. Concerning the character of Professor Hashim, the Front's candidate, I put my full confidence in him, because I have heard nothing to discredit his character or call into question his fitness for the job.

[Question] What is your advice to the one who is to succeed you?

[Answer] That he be endowed with two characteristics: Humility, not looking down on the people; and sincere devotion to community issues. And there is another characteristic that every Front candidate must have. It is maintaining unity in the ranks and cooperation with the heads of local regional authorities. I believe the new Front candidate has these qualities.

[Question] What are your feelings as you intend to leave the scene of conflict?

[Answer] I am a native of the community, and its affairs will continue to be of interest to me. Each advance will delight me, just as each step back will cause a pain. I have always supported development; even prior to my election as president of the council. I emerge from the battleground with a clear conscience. We have a considerable weapon [in the form of] our accomplishments which we should bear in mind.

#### New Candidate of the Front

Let us get acquainted with the Front's new candidate, Professor Hashim Mahamid: Young, age 48; married and father of three children. He has served in the field of education for 20 years and now serves as assistant principal of the secondary school at Umm al-Fahm. He is a university graduate with an M.A. degree in education with distinction and a B.A. degree in the English language, and is presently pursuing a doctorate in sociology. Before this he completed a course for teachers at "Hadasim."

Professor Hashim belongs to a poor family of the household of Mahamid. During his secondary schooling he was obliged to leave school and go to work to defray the cost of continuing his studies. Subsequently he is one of the leaders of the Democratic Front at Umm al-Fahm. Concerning this affiliation he says:

"My origin and the situation of my family, with its very limited resources for facing life's hardships have played a big role in molding my personality and in my choosing the route of the Front. I join with the Arab workers in pursuing work wherever it is--I share their situation with them. All this in addition to the political platform of the Front, in which I see the proper political framework for rallying the interests of the two peoples and solving their local and regional problems, prompted my joining the Front."

[Question] How did you react to your being chosen as the candidate of the Front?

[Answer] With mixed feelings: On one hand I am extremely delighted that the leaders of the Front agreed to name me, but on the other: there are the feelings of the burden of responsibility, especially since I know that I am facing a hard task full of complicated problems and bitter realities. But what encourages me is that I am determined to deal with this work.

[Question] Does the Front have a specific platform?

[Answer] Some of the approaches regarding the Front's course of action have already been firmed up by some of the people and there are some things being set up in order for the Front to accomplish as much as possible. But sometimes the Front does not have a majority in the local council, and so is not able to carry out its program fully. Therefore I appeal to all the people of Umm al-Fahm to be united, especially since we are at a stage in which there is no alternative to our unity except ruin. There is nothing in the field of local services, even politically, like the minority people of this country.

[Question] To which problems do you intend to give priority?

[Answer] The most important problem that Umm al-Fahm has, as do other Arab villages, is the problem of land. Umm al-Fahm sits on a plot of rocky land and its lands are confiscated. In view of the absence of a schematic and organizational map and of the rapid increase in the number of residents, the people are forced to build without a plan. Therefore we have a crisis of residences and a crisis of streets. I believe that our battle basically will be for building homes to solve some of these problems and relieve the critical situation. The citizen of Umm al-Fahm, by nature, is not suited to accept this situation. And the present condition of the roads is not in harmony with a town of about 25,000 souls with the ability to lay out the streets, make new roads passable, provide parks, organize traffic, and put more emphasis on the volunteer campaigns.

[Question] What about the schools and the rented rooms?

[Answer] I believe that all citizens in Umm al-Fahm are aware that the present leadership has done a great deal toward providing new buildings for the schools. But the inherited shortage puts each administration in the council in a continual race with time to cover the classroom shortage. As an educator, I attach great importance to advancing educational principles. One cannot accept classrooms (rented) the individual area of which does not exceed 4 x 4 when 40 boys and girls are studying in them. In this case the success of the school boards in educating a generation is considered a miraculous success under present conditions. It is my thinking that the bond between the leadership of the council and the educational system in the schools should be very strong.

[Question] What do you want to say to the people of Umm al-Fahm at this time?

[Answer] I appeal to them to close ranks and join with the Front. There is a mistaken belief on the part of some people that membership in the Front means membership in the Communist Party. It is true that the Communist Party is the backbone of this Front, but the common cause of the Front is to serve the public welfare. Therefore I implore all the honest citizens of Umm al-Fahm to join the ranks of the Front to strengthen and consolidate the unity of our community and to leave behind petty considerations and differences, which cannot resolve the difficulties facing us, but which require of us unity for dealing with them. What sets the Front apart is that it stands firmly for supporting the rights of our people in this country and equality, in all areas, with the Jewish people. This is the only non-domestic framework that will unite the members of all families on a platform that will serve everyone.

Lastly I would like to conclude with a comment about the present chairman of the committee, Hajj Abu Majid, who deserves credit for having given all he could toward the development of Umm al-Fahm and for endeavoring to bring to reality the desires of the people of our town. I do not suppose that there is a person from Abu Majid's generation who could give more than he has. He endeavored to get Umm al-Fahm, as well as our community, established in the regional struggles. And all this was done at the expense of his health and his heart, without having anyone supporting him in dealing with council matters.

As far as I am concerned, and the Front as well, the role of Abu Majid has not ended. He will remain as head of this Front, as our model, and as a resource of expertise which is indispensable to us.

12496

CSO: 4404/5

## DROUGHT THREATENS CENTRAL, NEGEV REGIONS

Tel Aviv DAVAR in Hebrew 15 Dec 83 p 6

[Article: "Fear of Drought in Central and Negev"]

[Text] The rain at the beginning of the week raised hopes among the farmers that the damage to agriculture would be reduced, but the short duration of the rain has awakened new concern for drought.

The weather station at Bet Dagan reports that since the beginning of the season the Lod area has only had 18 percent of the average annual rainfall, while 'Eqron has only had 10 percent--64 mm compared to an annual average of 550 mm.

The farmers have been forced to increase their cost of production by using 25 cubic meters of water per dunam in orchards and avocado fields, since the first rain over a month ago. In the Hedera area the farmer were forced to use 3 million cubic meters of water on orange and avocado crops.

The rising cost of water has also made the growing of fodder more expensive in the central region, where an additional 25 cubic meters of water per dunam were used in recent weeks.

Some 400,000 dunams of wheat were sown in the Negev, two-thirds of the total wheat in the country. In most fields in the Negev the wheat has not sprouted and whatever little wheat has sprouted has withered because of the scarcity of rain.

Dov Qatzir of kibbutz Shoval in the Negev, in charge of field crops in the field crop organization, reports that in the beginning of the week the farmer began to plow fields which have not sprouted or which have withered and is beginning to sow again. He says it is too early to estimate the losses due to the drought.

Fruit and vegetable growers in the Ashqelon area are also experiencing losses since they have to use their water reserves as they did in the summer. The rainfall in the Ashqelon area has been set at midweek



at 30 mm, compared to 150 mm last year at the same time. In the Basor area there was 15 mm of rain compared to 150 mm last year. A similar figure is given for the Gaza Strip and the Lakhish area. Further south there has been practically no rain.

Flower growers have suffered from the relatively high temperatures in recent weeks. The flower market has been flooded with flower quality has suffered because of the heat! In Hedera region some 2200 dunams of carnations and 4000 dunams of gypsophila.

Cotton may also suffer if the drought continues. Sowing takes place in the spring, and in order to be successful the ground has to be saturated.

9565

CSO: 4423/26

## ARAB VILLAGE COMPLAINS OF MILITARY MANEUVERS

Haifa AL-ITTIHAD in Arabic 11 Sep 83 p 3

[Article by Shabir Farid Hasan: "How Long Will the Village of Musmus Continue to be a Field for Military Maneuvers?!"]

[Text] The authorities took the land and the surrounding woodlands of this Palestinian Arab village. Its people turned to menial labor in building construction in Jewish settlements and cities, and in washing dishes in the restaurants of Tel Aviv, 'Afulah, and Haifa. The authorities have deprived it of its natural right to establish a local authority to take care of the affairs of the village and cause it to flourish. From a plan showing the needs of the residents with regard to progress and development one sees: a secondary school, Histadrut associations which take in children, juveniles, and youth and protect them from harm, a football field, a telephone system, and public gardens. Like other schools in Arab quarters, its school suffers from lack of bathroom facilities, classrooms, a gymnasium, a library, and a laboratory. In recent years this village has become a field for military maneuvers which threaten the lives of the inhabitants. Moreover a great many have been hit by bullets falling like rain in December on the village...Of these we mention by way of example, not the complete list, the youth named Mahmud Ahmad Mar'i Aghbaria, who was sitting in his room studying his lessons and preparing for his final exams when a "stray" bullet came through the window glass and hit him in the chest. He was immediately taken to the 'Afulah hospital. Also vibrations from explosions have caused great property damage.

After this the inhabitants signed petitions, which were sent to the ministries of defense and the interior, demanding removal of the maneuver area. Officials in these ministries promised to study the matter, but their "honeyed" promises have remained mere ink on paper.

Recently a group from the Israeli defense forces [IDF] "occupied" one of the hills near the village, set up camp there, and began military training which arouses fear, worry, anger, and indignation on the part of the citizens of Musmus and all the nearby villages (Mashirafah, Mu'awiyah, 'Ayn Ibrahim). The inhabitants believe that this step is a part of the establishment's racist scheme aimed at clearing what remains of lands belonging to the village. At the same time they affirm their devotion to the beloved land in which they were born and grew up, from which they were nurtured with the milk of human

kindness, and which they have cultivated with their fingernails...and are prepared to sacrifice, no matter what the cost, for its protection. They ask the Arabs of Israel to take their side and join in their just struggle, against seizure of the land, for rights and equality.

We are confident that this long-suffering village, which has learned how to write down, in the dark, words of light is capable, with the unity of its alert people, of taking on all the establishment's schemes and plots concocted against it, which will be smashed on the rock of the village's steadfastness.

12496

CSO: 4404/5

## INVESTMENTS IN FOREIGN STOCKS INCREASE

Jerusalem THE JERUSALEM POST in English 27 Dec 83 p 1

[Article by Avi Temkin]

[Text]

Israelis invested more than \$110 million in foreign stock markets during the summer bank crisis, and in the first nine months of the year, more than \$160m. were invested by local residents in stock exchanges abroad.

The level of Israeli investments abroad was published yesterday by the Central Bureau of Statistics as part of its balance of payments figures. During 1982, local residents invested \$46m. in foreign stock markets.

A spokesman for the Bank of Israel conceded yesterday that the sums invested abroad by Israelis may well be much larger, since the statistics reflect only those transactions made through official channels. "The large increase does not surprise us, especially when one remembers what was happening with the economy at that time," the spokesman added.

While Israelis were buying foreign securities, probably with sums received by selling bank shares, local banks were forced to bring large amounts of foreign currency from abroad to support the prices of their shares in the months preceding the crisis in October.

During the third quarter of the year, more than \$200m. were imported by the banks for this purpose, bringing the total amount of foreign currency borrowed overseas by the banks to support share prices to some \$700m. in the first nine

months of the year.

The bureau's statistics revealed that in the January-September period, Israel's assets abroad were reduced by some \$1.35 billion to pay for growing deficits and for the money brought into the country by the banks.

Of this drop in assets, some \$470m. were accounted for by a reduction of the Bank of Israel's foreign currency reserves abroad, while some \$860m. in assets of the commercial banks were used mainly to support the prices of their shares.

At the end of September, Israel's net foreign currency obligations abroad increased by some \$1.5b., bringing the total net obligations to some \$17b.

The figures released by the bureau showed that in the first nine months of the year, the total deficit in the current account — the excess of imports over exports — totalled \$3.9b., compared with \$3.8b. in the same period last year.

The increase in the deficit was largely moderated by a large reduction in defence imports by some \$500m., and by a reduction in the imports of crude oil by some \$400m., which was partly explained by a reduction in the international price.

Excluding military imports, the current account deficit totalled \$3.3b. in the January-September period, compared with \$2.6b. in the same period last year — a 26 per cent increase.

POOR MEDICAL CARE FOR BEDUINS

Jerusalem THE JERUSALEM POST in English 3 Jan 84 pp 1, 3

[Article by Margery Greenfeld]

[Text] The medical services available to the 54,000 Beduin in the Negev are "below the minimum standard to which every citizen is entitled." Only nine doctors serve the entire Beduin population (a doctor-patient ratio of 1:6,000) and of the five clinics for Beduin, most are open only until 1 p.m., and two are not open on a daily basis.

These are some of the findings of an independent survey carried out by Dr. Dov Kelvin, director of the Polyclinic Health Services, a private concern with clinics in Beersheba and Arad. Polyclinic also operates a mobile clinic serving the Beduin community.

Both the Health Ministry, which operates family health clinics in the Negev, and Kupat Holim, which operates Soroka Hospital and several clinics serving the Beduin population, took issue with Kelvin's findings.

During the five months we have operated the mobile clinic, I have become concerned about the rising dissatisfaction among the Beduin with the medical care available to them, Kelvin told The Jerusalem Post.

"We are in danger of damaging decades of good neighbourly relations between Israel and the Beduin, who have been loyal citizens since the founding of the state, he said.

In the survey, Kelvin cites the low doctor-patient ratio and the scarcity of community health services in the afternoon and evening as two major problems. He contrasts the 1:6,000 doctor-patient ratio among the Beduin with the ratio in the town of Arad, which has 18 doctors serving its 15,000 residents, giving the town one doctor for every 850 residents.

According to the survey, five clinics serve the Beduin population: Kusseifa, Rahart, Tel Sheva, the minorities clinic in Beersheba and Arouar. Of these five, only the Rahet clinic is open after 7 p.m. and the clinics at Tel Sheva and Arouar are not open every day, it says.

While the clinic at Rahat is "splendid and serves its population well until 2 p.m.," the Kuseifa facility, on the Arad-Beersheba road, is located in "a hut with neither electricity nor washrooms," the survey says.

The Health Ministry's southern district medical officer, Dr. Viola Toerek "totally rejects" Kelvin's assertion that medical care for the Beduin is below minimum standard.

"Of course, it is impossible to give exactly the same type of service in an area with a widely-distributed population as in an urban area," she told The Post. "But we have a very good network of both family health clinics and Kupat Holim clinics which offer complete health services to the Beduin community," she said.

Kupat Holim Clalit spokesman David Taggar called the medical service for the Beduin "very well-structured and complete." The health fund operates seven clinics, staffed by 10 doctors, including family doctors, pediatricians and other specialists, he said, contradicting Kelvin's figures of five clinics and nine doctors.

A mobile clinic operated by Kupat Holim's Soroka Hospital visits "even the most far-flung tribal enclaves" to provide mother-and-child care, follow-up treatment and consultative services, he said.

"While the situation may not be ideal, it is far from being 'below the minimum.' The fund's 28,000 members among the Negev Beduin are extremely well cared-for, and those who are not insured are certainly entitled to use the hospital or be treated at the fund's clinics against payment," he said.

He pointed out that the Rahat Kupat Holim clinic is "modern and beautifully equipped" and that the five-year-old facility could "hold its own in North Tel Aviv."

As part of its continuing efforts to improve service in the Negev, Kupat Holim Clalit will open an eighth clinic for Beduin this year, Taggar said.

While noting that Kupat Holim Clalit is "not responsible" for providing medical service to the Beduin, the survey says that "unfortunately for the fund, most of the burden has fallen on its shoulders. The complaints directed against the fund for poor service are not always justified and membership dues do not cover the services it is called upon to provide."

Kelvin concludes the survey with a warning that the situation is "on the brink of exploding." The Beduin are changing their way of life and customs and this brings a rise in expectations, it says.

Kelvin has devised several proposals that would substantially improve health care for the Beduin without requiring a large budget, he told The Post. These include adding two fully equipped mobile clinics, staffed by a doctor, a nurse and driver, to visit even the most remote Beduin villages, he said.

These units should be connected with Kupat Holim and partially subsidized by the Health Ministry, with those patients who are uninsured paying for at least part of their treatment, he said. Such a system would be cost-effective in preventing unnecessary hospitalizations by treating illnesses before they reach the critical stage, he asserted.

To gain support for "significantly expanding" the Beduin health services without "spending huge sums of money," Kelvin last month sent copies of the survey to all 120 members of Knesset. He also met with the chairman of the Knesset Labour and Social Affairs Committee, Menahem Porush, last month. While Porush promised to look into the problem, Kelvin has not yet received replies from other MKs.

CSO: 4400/142

## PHONE TAPPING OF IDF BY SIGNAL CORPS DESCRIBED

Tel Aviv BAMAHAANE in Hebrew No 18, 21 Dec 83 pp 22-23

[Article by Mia 'Eshet: "Ongoing Listening In On Private Conversations"]

[Text] Deep secrets are not uncovered here. Great mysteries are not resolved. The secret listening-in we know from spy novels and consider mysterious and exciting turns out to be tedious and unglamorous work. Yet it is important work, because it helps catch the "petty criminal" who uses the military phones for private conversations.

The listening unit of the Signal Corps monitors all the IDF telephone lines in order to discover private conversations. Some 4000 private conversations were detected last year, and 120 lines were disconnected until further notice since last April.

Most of the IDF permanent bases now have an automatic dialing center which permits direct dialing without going through a switchboard. One can also make a call through the civilian network of the dialing zone by dialing the area code. This is used by soldiers for private conversations, which overloads the limited capacity lines, resulting in delays for soldiers who need to use the lines for work calls. When one gets a busy signal after dialing the area code it means that all the lines are busy, probably because some of the calls are private.

Private calls seriously affect the efficiency of the army, since they interfere with the work of army offices and do not allow them to conduct normal business. Worse yet, they disrupt the readiness of the army, as they prevent timely warning of new developments. Another problem is the cost of private calls, which go through the civilian network and are charged the full price, while the other calls are charged a bulk yearly rate.

## Affecting Readiness

This problem has resulted in General Staff Order No 3.04505 which refers to private calls and states that "No private calls are allowed on military phones except for what is specified in this order."



How does not make a private call in case of an emergency? In such cases one orders a private call from 13.30-12.30 and from 18.30-07.30 at the long-distance section of the area switchboard. Few soldiers are aware of this procedure, which is strange, because Section 9 of the General Staff Order, dealing with private calls and circulated to all the bases clearly states that "This order will be communicated to soldiers of all ranks every 6 months."

In order to fight the problem of private calls, a listening team was established 7 years ago, currently under the command of Senior Sergeant Major Panan, specifically for monitoring private calls. Field security violations committed by phone are dealt with by the field security unit which submits a monthly report of all field security violations. The listening-in team has the authority to disconnect the pertinent phone lines.

#### Deterrent Capability

The women soldiers of the listening-in team are called communication inspectors, and each carries a card which authorizes her to monitor phone calls. They take an operator course and then do field work. At first they work in Central Israel, and then are transferred to the north or south of the country. Before they are transferred, the local signal officer is apprised of their arrival, and "He makes sure that everyone is cautioned about making private calls," adds Panan. "This is a positive step," says Lieutenant Colonel Q., "because our objective is to stop private calls rather than punish. The deterrent capability of the communication inspectors serves this purpose."

A communication inspector must be extremely patient. Sometimes it may take hours before she picks up a private call. She has to be tactful and even tempered. A soldier who finds out his call has been monitored usually reacts with anger and shouting. Claudine Abuhatzira, a communication inspector, adds that an inspector has to be at times very hardened in order to explain to the soldiers the procedures for presenting a complaint, even when they ask her to drop the complaint and not disconnect the phone. Sometimes they break down and cry on the line. Finally, an inspector has to keep total secrecy and is not allowed to disclose any of the calls she has heard. Hearing those calls gives her a great deal of power which she must not abuse.

Using a plug in receiver, Claudine, Orna, Kukhi and their friends can listen in on any line. The inspector listens to sounds on the lines and hooks in when she detects a conversation. The people on the line cannot hear her because the click of hooking in is muffled by an electronic system. She listens to the conversation, and if it turns out to be a private call which exceeds 1.5 minutes, she tapes it.

#### Juicy Calls

The monitoring, which is generally not too pleasant, can at times be amusing. There are many topics of conversation:

A husband and a wife talk about money problems. They discuss whether they will be able to get to the bank before it closes. The husband says yes, since today the bank closes at 7.

Two women talk about fashion. They want to know if the store sells boots or only shirts.

Someone arranges a meeting with his girlfriend and sends regards to the family.

A common conversation is about one's spouse, running somewhat like this:  
"I told him not to put on those jeans, but he put them on yesterday."  
"What's the problem, jeans are okay." "Yes, but not worn out jeans."

Many discussions are heard about the eternal question: Is he single or married. There are also idle talks like, "What are you doing?"  
"I am bored. What are you doing?" "I am warming the chair."

The listener has to wonder about the important things people are doing in the IDF. "The less pleasant cases are the most juicy," says Panan. In such instances it is most embarrassing to break in. "In some cases the talk is so personal that we don't break in but only tape it."

Most of the time the inspector interrupts the conversation, identifies herself and asks for the caller's personal data. This elicits a variety of reactions. The most common reaction is total surprise. Some people are simply not aware of the monitoring procedure or the fact that they cannot use the phone for private calls. Some do know, but think that by pleading ignorance they may mollify the inspector (no chance). When this fails they use the approach of: "You are a nice woman (how does he know?) so do me a personal favor and don't disconnect." This appeal to the inspector's personal feelings sometimes ends in helpless or even hysterical crying on the receiver.

Some reactions are angry: "Who are you anyway?" "You have no right to listen to my conversation." Etc. Some reactions result from ignorance of the role of the listening team, such as: "I am a major, you have no right to disconnect me." It should be pointed out that one may even disconnect a colonel. Some ask for the name of the inspector, but she is not allowed to give her name, only her number.

The common reactions include a refusal to give personal data. The inspector can check the identity of the caller by looking up the telephone number. The caller may also hang up. This does not spare the line from being disconnected. It is advisable to hang up, since the punishment may be more severe.

### It Pays to Be Careful!

Some of the callers, especially those who conduct intimate conversations, are concerned about being listened to. "I am married," they may tell the inspector. The only ones who hear the call are the inspector, Senior Sergeant Major Panan, who reviews the summary of the calls, and, in the case of a trial, the commanding officer.

When the inspector breaks in the caller must identify him or herself immediately. There is no way of getting around it. An argument will only make things worse and will make the inspector's work harder. After the data is recorded, the line is disconnected. The first time for 48 hours, the second time for 96 hours, the third time for a week, and the fourth time until further notice, that is, until the commander in charge of the line sends a memo with a report on what steps were taken to prevent subordinates from making private calls.

At the end of the day the inspectors transcribe the taped calls. Panan reads the report and decides on the basis of the length of the call and its contents whether or not to submit a complaint. In most cases the complaint form is sent to the immediate commander, and if a disciplinary action form is not received the commander is sent a warning. If this does not help, the telephone is disconnected for an indefinite period of time.

Some telephone lines are vital for readiness. Here too disciplinary action is taken, without disconnecting the line. But Lieutenant Colonel Q. has the right to disconnect those as well, if he think he has sufficient reason to do so.

Besides the practical steps it takes, the listening team, known by its nickname, the Vulture, serves a deterrent and creates awareness. The disconnecting of a line creates a small trauma which is transmitted by the caller to others by word of mouth. Hence the great power of the team, despite its relatively small number. The team is now being expanded, so--beware!

9565

CSO: 4423/26

## BRIEFS

**BLACK HEBREW CHILD SMUGGLING**--After being tipped off, the Israel Police arrested 'Anva Bat Israel, member of the Black Hebrew sect as she tried to enter Israel from Jordan over the Allenby Bridge and smuggle in three children. The information seems to have come from a former member of Ben Ami Carter's sect. He provided a description of Bat Israel and the time she would attempt to cross the border. But Israel seems to have received her instructions from Carter. Her light skin and British nationality helped her perform her missions which involved frequent trips abroad. She had been sent to the U.S. to bring the children of a couple who sought to enter Israel and join the sect. It was easier for the couple to come later without the children. In this way Bat Israel brought dozens of children to Israel who joined the sect in Dimona. Recently, because of the information obtained by the police, through people who have left the sect, Carter was afraid his adversaries might be waiting at Ben-Gurion Airport to identify those who came to join him, and told Bat Israel to fly to Jordan and enter via the Allenby Bridge, where she was met by the police. Bat Israel was deported and told not to return. Her husband, Al Harim, remained in Dimona. [Text] [Tel Aviv YEDI'OT AHARONOT in Hebrew 19 Dec 83 p 4] 9565

**NEW AEROSOL RESEARCH ORGANIZATION**--The founding conference of the Israeli Association for Aerosol Research took place last week in Jerusalem. It was attended by scientists from various science and research institutes around the country. Aerosol research is a scientific activity now developing in Israel and around the world. It deals with solid or liquid suspended particles, such as water in the atmosphere, fog, and natural and industrial dust. Prof Yesha'yahu Galili of the Atmospheric Science Department at Hebrew University was elected president of the association. He explained that the research deals with various problems, such as: vortical scattering of particles in the atmosphere, scattering of light, diagnosis and guarding of polluting particles in the field, the transfer and settling of particles on various bodies such as vegetation, industrial pipes and human lungs, the formation of particles as a result of reduction processes and chemical reactions in the atmosphere and more. [Text] [Tel Aviv HA'HARETZ in Hebrew 19 Dec 83 p 7] 9565

NO WATER FOR DELINQUENT MUNICIPALITIES--Starting today, Meqorot Company will limit the water supply to 18 local authorities around the country because of debts to the company adding up to tens of millions of shekels. The communities which will suffer reduction of water supply are: Bene Brak, Rosh Ha'ayin, Ramat Yishay, Yoqne'am, Daliyat el-Karmil, Qiryat Yam, Zikhron Ya'aqov, Saba, Menahemya, Migdal Krum, 'Arabba, Shilo, Jat, Bet Zarzir, Dabburiya, Julis, Mashhad and 'En Mahil. [Text] [Tel Aviv MA'ARIV in Hebrew 16 Dec 83 p 4] 9565

TRAVEL TAX INCREASE--Overseas travel tax will be increased from \$50 to \$125, it was decided yesterday by the ministerial committee for economic affairs. The decision now has to be approved by the Knesset. The new rate will be the same for all airfares. Finance Minister Yigal Kohen-Orgad proposed during the committee meeting to raise the tax to \$75 plus 7.5 percent of the fare. Transport Minister Hayim Corfu objected, arguing that passengers will prefer to travel via Europe and reduce the tax. Liberal Ministers Avraham Sharir and Pesah Gruper, as well as Corfu, proposed a \$100 tax while Minister Gid'on Pat supported the \$125 figure, and his motion passed. The ministerial committee also decided to extend credit ceilings of foreign currency by 6 months. The Liberals in the finance committee of the Knesset will not support the government proposal to raise the travel tax to \$125. Knesset Member Dan Tikhon told MA'ARIV yesterday: "There is no logic in the government proposal, and there is no chance it will pass." Alignment leaders are also opposed to the drastic increase in the travel tax, and with the Liberals they will constitute a majority against the motion. Knesset Member Ari'el Weinstein (Likud), who is a member of the finance committee, asked for a meeting today of the Liberal faction in the Knesset in order to decide on a course of action against the ministerial committee's decision to raise the travel tax. He argued that such a high tax will prevent many from short trips abroad to places such as Greece, Cyprus and Italy. [Text] [Tel Aviv MA'ARIV in Hebrew 19 Dec 83 p 2] 9565

JOINT DRONE PRODUCTION--TEL AVIV--Tadiran and the Israel Aircraft Industries announced yesterday they will form a joint company to produce drones. The agreement will end the stiff competition between the IAI, which built Scout, and Tadiran, which produced the Mastiff. A senior defence source said yesterday that the agreement was made possible after the Israel Defence Forces decided what kind of pilotless plane it wanted. The two parties then concluded it would be more economical for them--and especially for the defence establishment--to join forces, he said. The IAI and Tadiran were in very stiff competition with each other in this country and abroad. The agreement requires the government's approval, the Tadiran-IAI announcement said. [Text] [Jerusalem THE JERUSALEM POST in English 4 Jan 84 p 2]

HEBRON AGRICULTURAL COLLEGE--Intensive contacts are now under way between the chairman of the board of trustees of Hebron University, Muhammad Rashid al-Ja'bari, and the authorities to complete the preparations and procedures necessary to announce the opening of the agricultural college at Hebron University and the admission of students to it. Al-Ja'bari said that the authorities had agreed on the erection of the buildings necessary for the college on the university property in University Quarter and that all plans for the work have been completed. He hopes that it will be possible to announce the acceptance of students before the end of this year. [Text] [Jerusalem AL-QUDS in Arabic 28 Aug 83 p 3] 12496

BRITISH-ISRAELI TRADE--London--Two-way trade between Britain and Israel has reached record levels. Figures just released here by the British-Israel Chamber of Commerce show a 1983 trade total of 669 million pounds sterling, 34 percent up on 1982. Of the 1983 total, some 354m pounds sterling represented British exports to Israel (58 percent more than 1982) and some 314m pounds sterling worth of UK imports from Israel (up 14 percent). Fruit, vegetables, juices, and clothing accounted for a large proportion of UK imports from Israel. As for exports, electronic and other machinery, transport equipment, foods, metal and metal products featured prominently. [Excerpt] [TA051728 Jerusalem THE JERUSALEM POST in English 5 Feb 84 p 2 TA]

COMMERCIAL QUANTITIES--Commercial quantities of oil have been found by the Gurim 4 rig south of 'Arad. Our correspondent Me'ir Einstein reports that Yo'el Company has just informed the stock exchange that oil can be produced in commercial quantities--more than 100 barrels a day--from the Gurim 4 well. The layer of oil is at a depth of 1,000 meters. According to professionals, this means the well holds several million barrels. The oil is of medium to heavy quality. [Text] [TA251205 Jerusalem Domestic Service in Hebrew 1100 GMT 25 Jan 84]

CROP EXPORTS TO EAST EUROPE--The agricultural associations in the sector have contracted to export quantities of agricultural produce to East European countries. This produce includes 400 tons of strawberries, 200 tons of zucchini, 10 tons of fall eggplant, and 14 tons of experimental produce such as potatoes and common european beans. [Text] [Jerusalem AL-QUDS in Arabic 28 Aug 83 p 3] 12496

CSO: 4404/5

## BRIEFS

FLOATING POLLUTION CONTROL STATIONS--Two floating naval stations have been launched in Kuwaiti territorial waters to help combat oil pollution, measure the speed of currents and aid navigation. The two tow-stations were set up by the oil pollution control centre of Jubail at the request of environment officials in Kuwait. Four similar stations have been operating in Saudi territorial waters. Director general of the meteorology and environment protection department Abdul Bir al-Qain, said the information obtained would also aid fishermen as well as oil exploration operations. Al-Qain said the stations were linked to a computer system that would process data and supply all countries in the area with information on navigation conditions. The launching of the stations is part of the department's programme to combat oil pollution in association with other members of the Cooperation Council for the Arab States of the Gulf. Meanwhile, the Dubai dry dock tanker cleaning facility has started operations under the management of a French company Services Maritimes Pétroliers. The tanker station, the largest of its kind in the Middle East, is located 500m offshore and can take vessels up to 1m dead weight tonnage.--Opecna. [Text] [Doha GULF TIMES in English 29, 30 Dec 83 p 4]

CSO: 4400/144

PRESIDENT OF CHRISTIAN LEAGUES INTERVIEWED

London AL-TADAMUN in Arabic No 40, 14 Jan 84 p 11

[Interview with Shakir Abu Sulayman, the president of the Christian Leagues in Lebanon, by Joseph Qasifi: "No Disagreement Exists Concerning Lebanon's Arab Affiliation, But Its Identity Can Only Be Lebanese"; date and place not specified]

[Excerpt] [Question] The Christian Leagues have opposed the formula arrived at by the first session of the "Geneva Conference" concerning the definition of Lebanon's identity. Is it possible for us to know the impetus behind this opposition and its causes?

[Answer] In our view, the matter is one of principle. We do not deny at all that Lebanon's affiliation is Arab. Its language is Arabic and it was one of the founders of the Arab League. It interacts in a complete fashion with its Arab environment in all areas. However, Lebanon's identity can only be Lebanese, just as France is French and Egypt is Egyptian. After all, the identity of a country is precisely the identity of its people and no other. It is an embodiment of the definitive characteristics of that people. It is an embodiment of the definitive characteristics of that people. These characteristics are the result of the people's heritage and traditions, which in turn are strongly linked with their land and history. By this I mean to say that the identity of neither a person nor a nation can be imposed by pressure or compulsion. Rather, it is the product of special factors and a free conviction.

[Question] But the Lebanese Front, with which you sympathize nationally and politically, was represented at the conference, while the representatives of the Phalange and the Liberals agreed to this formula. How do you interpret that?

[Answer] We respect all the personalities who took part in the dialogue. A difference of opinion is a sign of health and democracy. It does not detract at all from the dignity of any person, especially if these personalities are leaders like former President Camille Sham'un, Shaykh Pierre al-Jumayyil, or former President Sulayman Franjiyah.

[Question] In your opinion, what is the best formula for Lebanon?



[Answer] With respect to the formula, we have only two choices. We can build a country in which all the inhabitants will fuse together in a single national crucible. This can only occur by means of secularization, which assures equality among the citizens. It makes sure that the citizens will be loyal to their country, not to their sects, and achieves true democracy. Secularization cannot be divided. Either it will be comprehensive, so that this fusion will be achieved and society will be unified, or it will not exist at all. It may be difficult or even impossible to apply secularization for several reasons. Some of them are:

1. Its collision with religious convictions and beliefs which we respect.
2. At any rate, the lingering sense of sectarian affiliation because of the legacy of the past, the years of war, and the resulting sensitivities. In that case, we will have no choice but to take our real situation into account and look for a formula which fits Lebanon and reflects its real situation and structure, for the formula which fits a country is that which reflects the composition of its political structure. Lebanon's political structure is dual in nature, due to the existence of two groups in Lebanese society which have deep roots in the past and are very jealous of their identities. This sense of sectarian affiliation cannot be eliminated by merely denying it or by wishing that it did not exist.

Shakir Abu Sulayman continued:

Therefore, Lebanese society is diverse. There are diverse countries which are no less civilized than we are, such as Syria, Belgium and the Soviet Union. They have derived benefit from the richness of their multiplicity and created the proper political framework, which has preserved and maintained it and brought out the cultural wealth inherent in coexistence. Their very diversity has made these countries stronger and more solid, since they have provided it with a climate of freedom and security.

The president of the Christian Leagues in Lebanon summed up his thoughts by saying: Therefore, the elimination of political sectarianism, given the complete feeling of sectarian identification which we noted above, will spare the sectarian blocks and groups which are active in the Lebanese political system, while removing the balance which exists among these groups. Its effects will be bad and destructive. It is true that political sectarianism limits the ambition of individuals in public areas.

[Question] Some voices have been raised in Lebanese Christian circles in criticism of the role of the Vatican in the Lebanese crisis. These voices say that the Apostolic Throne is sacrificing the Christians of the East in support of the theory of coexistence with Islam. At the same time, the Catholic patriarchs vigorously oppose this criticism. What is your opinion on this debate and on what has resulted and may result from it in the future?

[Answer] The Apostolic Throne has an important role to play in the Lebanese crisis. This role is partly public and includes statements and warnings by His Holiness the Pope in which he had made reference to Lebanon from time to

time. The intention of these statements has been to draw the attention of the world to the tragedy of this country, so that international opinion can feel its pain and its issue can continue to be present on the international stage, instead of being forgotten. The other aspect of the Apostolic Throne's role is not public. It is undertaken by the Vatican's active diplomacy, which has assisted and is assisting Lebanon. There is no doubt that the encouragement of Christian-Muslim coexistence is part of the Vatican's policy, as is the encouragement of agreement, reconciliation and harmony among the country's various inhabitants. All this is at the heart of its message and religious principles. When this cultural agreement between the two groups is negated, Lebanon loses its active, distinguishing role in the East. Therefore, I do not agree with the opinion of those who say that the Vatican is sacrificing the Christians of the East for the sake of this coexistence.

12224

CSO: 4404/245

DEPUTY CHAIRMAN OF HIGHER SHI'ITE ISLAMIC COUNCIL INTERVIEWED

Kuwait AL-QABAS in Arabic 29 Dec 83 p 27

[Interview with Shaykh Muhammad Mahdi Shams-al-Din, the deputy speaker of the Higher Shi'ite Islamic Council, by AL-QABAS: "I Am the Gandhi of Lebanon"; date and place not specified]

[Text] The deputy chairman of the Higher Shi'ite Islamic Council, Shaykh Muhammad Mahdi Shams-al-Din, has confirmed that the civil resistance which he announced about 2 months ago will continue in all forms and modes in order to confront the Israeli occupation in southern Lebanon. He said it would change into armed resistance "if we despair." He considered the move by Israel to close the roads to be a strategic action included within the expansionist Zionist plan of action. He called on the Arab states and the great powers to commit themselves more to the Lebanese issue.

AL-QABAS conducted this interview in order to learn about the situation according to his view. The interview deals with the slogan of "civil resistance" coined by Shaykh Shams-al-Din, the ten Islamic principles announced some time ago by the Islamic Dar al-Fatwa, the 17 May agreement, the Geneva conference and other issues of local and Arab concern.

Civil Resistance Will Not Fail

[Question] You have announced that civil resistance is a way to resist the Israeli occupation in the south. To what extent is it possible for this tool to achieve the desired goal of liberating southern Lebanon? If it fails, to what alternatives will you turn?

[Answer] We have announced that comprehensive national resistance to the Israeli occupation is a means of resisting it and creating circumstances and an atmosphere in which pressure is put on it. This will cause the occupation of Lebanon to end without achieving the goals it is striving for, be they normalization, the separation of the south, or other goals. I announced this kind of resistance in an organized, institutional, programmatic form about 2 months ago in a speech I gave at al-'Amiliyah College. As you know and can see, it is continuing, expanding and diversifying. Each day, it absorbs large new numbers of people both inside the south and outside of it.

As for the question of what we shall do if Israel continues in its present course, let me say in response that we shall continue with our civil resistance. There is no alternative to it. All modes and forms of it will continue in the future. The supposition that it will fail is a prior supposition. If it fails, it will go on anyway, because our battle with the Israeli occupiers is a long-term affair. If we fail to cause changes in Israel's position with this method, then at that time we will look for a better one. However, I have faith that we will not fail. I trust that we will be victorious with this method over the Israelis, who practice organized terrorism against us, yet charge us with being terrorists. We want the world to know who the terrorists are, ourselves or the Israelis.

[Question] It has been reported in some newspapers that you will turn to other methods if civil resistance fails. What are these methods?

[Answer] We will use other methods within the context of civil resistance.

#### Armed Resistance Is a Possibility

[Question] Does that mean you will not resort to armed resistance?

[Answer] Everything is possible. If we despair, everything is possible. We are dealing with this matter according to plans. We are not acting randomly. However, we trust that civil resistance will escalate, thereby taking in the entirety of the Lebanese people, both Muslims and Christians, and going beyond Lebanon to reach the international scene. The resistance will lead to pressure being applied inside Israel. We trust that this will lead to the frustration of Israel's plans.

Civil resistance has achieved great, unexpected results which are well known to the Israelis. Because of this resistance, they have failed to create a "Shi'ite army" or a "national guard." The normalization process has failed and a combative spirit has taken hold of the people which rejects the Israelis. All this has taken place in 2 months.

The Israelis thought of the south as a "wedding feast." They thought that people rejoiced at their coming. Now precisely the opposite is occurring.

[Question] It has been noted that most of your actions are limited to strikes and demonstrations.

[Answer] This is civil resistance. It amounts to solidarity, protesting and demonstrating. It is a rejectionist cultural state. There are other varieties of these political expressions which are to be used when their time comes.

Lebanon's Gandhi?

[Question] Will you be Lebanon's Gandhi?

[Answer] Well.... If you want me to be Lebanon's Gandhi, I will be Lebanon's Gandhi. The word civil resistance has become linked with the leader Gandhi.

The important thing is not merely for us to know that Israel is an enemy. This word must be given expression. Circumstances impose this kind of resistance on us. Certain acts follow a certain course, and we support them. What do the Israelis expect from the people of the south? There must be civil resistance.

#### What Is Needed on the Lebanese and Arab Levels

[Question] Southern Lebanon has been one of Israel's ambitions since the Zionist movement began. What must the Lebanese state and the Arab states do to prevent the south from being split off and annexed by Israel?

[Answer] The Zionist movement is a colonialist, expansionist, settler movement. The plans of the Zionist thinkers include what is known as "Greater Israel." Lebanon's land and water enter into this plan. Ever since Israel moved to close the roads leading into the south, we have been denying that it is a security measure. Rather, it is a strategic and political measure linked to Israel's plan in this area, because Israel's announcement of its intention to close the roads came before the Shamir government took office and before the headquarters of the Israeli military governor was blown up. That is, it occurred under the Begin government.

We are not waiting for anyone. In our confrontation with Israel, we wait for no one, neither for the Lebanese state, nor for the Arab states, nor for America. We have waited for Palestine to be liberated, for a Palestinian state to be set up and for the Arab terrorists to be freed. Even after the Israeli invasion of Lebanon, we waited for many months to see how effective Lebanese, Arab and international action would be. We are not waiting for anyone, and we will continue our civil resistance.

The Lebanese state must commit itself more to the issue of the south and the cause of liberation. The south is the deepest wound. If Israel stays in the south, it will stay in all of Lebanon.

International action must be more effective and more intense.

We demand that the Arab states honor our cause. Everyone pushed Lebanon to sign the 17 May agreement. They thought that their conscience was clear. They began to busy themselves with sectarian issues stimulated by Israel in Tripoli, the mountain and other regions.

Similarly, we want America and West Europe to be truthful with us. America alone can influence Israel. We are very doubtful about America's position. Therefore, we are not waiting for anyone. We will use all the means at our disposal and not expect "the free gift of liberation" from anyone.

#### Against the 17 May Agreement

[Question] Is the 17 May agreement a means by which to achieve the Israeli withdrawal? How do you interpret the way out of the agreement which the conference participants in Geneva worked out?

[Answer] We are against the 17 May agreement. Moreover, we do not support the principle of negotiating with Israel. Between ourselves and Israel is the armistice agreement of 1949, as well as Security Council resolutions 508 and 509. Both as a state and as a people, Lebanon did not make war against Israel and did not commit aggression against it. It was Israel which made war against Lebanon under the slogan "Peace for Galilee" and with the excuse of expelling the Palestinians. It has done so. What does it want now? Why does it not withdraw?

Negotiations took place and the agreement was produced. Where are the results of all that? Israel gained an agreement and went beyond the previous legal situation, as embodied in the armistice agreement. It also went beyond the international position as represented by the resolutions of the Security Council. Then it linked its withdrawal to Syria's withdrawal. Next, it invalidated the agreement with its partial withdrawal from the mountain. Israel made the agreement for its own purposes, setting Syrian conditions for it. Israel created the conditions and linked itself to Syria's withdrawal. Then it invalidated all that. Israel will not withdraw, even in accordance with the agreement.

#### Geneva Is a Game and a Stage Play

What concerns us is Israel's unconditional departure from Lebanon. We are not at all interested in the Geneva conference. The game at Geneva does not concern us at all. We have taken no part in this matter from the start. We wanted to reach a security solution for the country. Geneva gave us politics, but no security!! Geneva was a game and a stage play. We ask God to give them success. In a joint statement with the mufti of the republic, Hasan Khalid, we called on the parties to reach agreement among themselves in the interest of the country. We still have the same position. I will oppose any result I am displeased by, even if it were to come from 50 Genevas.

[Question] A while ago, you spoke about a proposal for cantons which had been prepared internationally for this country. You mentioned that a great deal of suspicion surrounded it, and that it was being implemented under the guise of contacts and dialogue. How correct is this information? On what do you base your statements? What is meant by "contacts and dialogue"?

[Answer] We see clearly that the aim of the Israeli program is division. Its goal is to divide Lebanon into cantons on a sectarian basis. Even a particular sect may be divided. We think the Israelis are continuing to implement this project, as happened in the mountain. They are planning the same thing for the south. We will combat this on the international level. We are fighting those who allow themselves to be used to implement this plan. Even if he wears a turban, I will fight him.

Of course, this is happening by means of contacts, etc. We feared the Geneva conference.

## The Issue of the South

[Question] You held a series of meetings with the ambassadors of the great powers in order to inform them about the situation in the south. You warned that it would be annexed and that the Israeli occupation of it would continue. In this regard, how were you impressed by the diplomats' understanding of the issue of the south?

[Answer] What I heard from the ambassadors of the great powers, especially the Soviet and American ambassadors, was good talk. However, during all these years, we have become accustomed to hearing nice words while the opposite happened on the ground.

When we saw the ambassadors of the foreign countries, we listened to what they had to say with respect. We want to believe them. It is also our duty to let them hear our opinion. We must tell them that the Israeli plot will not work and that it is not in their interest to let it do so. We must tell them that any danger having to do with Lebanon's fate as an entity, a state and a geographical unit, as well as any loss by Lebanon, will not be limited to Lebanon alone. We tell them that we will not permit Israel to profit, and that we will permit neither them nor the regime of interests to remain.

I repeat, we will not be the price of a settlement. Neither will we be a prize awarded to Israel. Any benefit offered at Lebanon's expense will definitely destroy it.

The interest of all lies in having Israel withdraw from southern Lebanon so that the country can rebuild itself on a just foundation, instead of on the basis of Phalangist hegemony. We will not permit it to continue.

## The Principles Are the Minimum

[Question] Are the "Islamic principles" which you announced at the Dar al-Fatwa your final position on the Lebanon of the future and what is going on now?

[Answer] Yes. They give expression to our final feeling on Lebanon. Here I must emphasize an issue which might be new to public opinion. The principles represent the minimum, not a complete situation. We will definitely combat anything apart from them. They are not our maximal or medium demands. Achieving them means that the Muslims shall have achieved their rights. However, with them they might achieve their minimum demands. Anything not connected with them will definitely be a matter for opposition. We believe that no political reform with respect to the Muslims can be less than this. We have nothing to do with anyone working outside the framework of these principles. They are not open for discussion.

[Question] But working papers, such as those of Sa'ib Salam and the National Salvation Front, have been submitted in Geneva. Do you not accept them?

[Answer] All the working papers submitted in Geneva are to be measured against the standard of these principles. We oppose that which is not in agreement with us.

[Question] In your calls, you focus on unity in the Islamic ranks. Why do you not announce a united leadership with the extant Islamic factions in Lebanon?

[Answer] I call for a united Islamic position and I work for the sake of it. The principles set forth the limits of the Islamic position. All other bodies, parties and personages are called to rally around this position and these principles. These principles are not directed to Islam alone, but to all Lebanese. We are not trying to create a sectarian Islamic position as opposed to a sectarian Christian position. Rather, we are working to establish a national Islamic position in concert with a national Christian position. We are not concerned with creating a leadership body. It already exists in the form of the Supreme Shi'ite Islamic Council and the Dar al-Fatwa al-Islamiyah. Everyone wanting to work must do so through them.

#### The Multinational Force

[Question] What is your position on the multinational force, especially now that one of its constituent parts has bombed some Islamic areas?

[Answer] On the basis of principle, we have evaluated the role of the multinational force positively with respect to its announced tasks. We still have the same position on the positive role of this force in its announced context. However, if it wants to go beyond its role, especially after the behavior of the French and the Marines, then we think it is not being faithful to that role. We still support its continued presence, but it must stay for the sake of the task which brought it here and not interfere in an internal Lebanese affair, because that would make the problem more complex.

[Question] It has been said that attempts have been made to set up a meeting between yourself and the French ambassador to Lebanon, in order to "clarify" the actions taken by France after it bombed the region of Ba'labakk. It is said that you have rejected such a meeting.

[Answer] We are ready to meet with everyone, given enough time. For now, we do not have time. We do not expect a clarification from the French concerning what they did. We understood and issued our opinion and judgment on the matter. We said that the French had unfortunately been "pulled" by Israel into taking an action contrary to the principles of international law and the freedom in which the French believe.

#### The Southern Sector

[Question] Information and reports have been circulating for some time concerning a "disciplinary operation" against the southern sector. It might be undertaken by Israel, the multinational force or the Lebanese army. What information do you possess about this? Moreover, what is your position on what is happening in the southern sector of Beirut?



[Answer] I do not understand the great uproar going on with regard to the southern sector. The southern sector amounts to a big city. What background justifies a disciplinary operation? Are the people there criminals? This threat conflicts with the sense of responsibility. If it happens, it will be a crime. Therefore, I have no information on this subject. However, I issue a strong warning from a position of responsibility against anyone doing any harm to the sector.

As for what is going on there, we are not in agreement with the prevalent situation in the sector. We do not accept the notion that the suburb is part of the prevalent military situation in the mountain. We have been trying to shield the sector from any security and political effects. However, the plot is bigger than we are. We are still not in agreement with the security explosion in the sector. We are looking forward to the day when the sector will be normal, like the rest of the country.

[Question] What is the solution with respect to the sector's situation?

[Answer] Personally, I have no solution. We support the sovereignty of the law and the regime. Any alternative to them is awful.

#### Isolating Those Who Work With the Enemy

[Question] In the south, armed groups which claim to care for Lebanon and to serve the people of the south are "protecting Israel." What means do you have with which to deter these people?

[Answer] These people are isolated socially, politically and religiously, in accordance with what we declared in our announcement of civil resistance. As I said, we have realized great achievements in this area. Those persons will not be able to continue to oppose the will of the people. If cases of oppression arise, they will be confronted by other than civil situations.

[Question] If a partial Israeli withdrawal to the al-Zahrani region occurs, do you expect to see discord develop, as happened in the mountain? Will this withdrawal amount to Israel remaining in the south?

[Answer] Yes, Israel is planning conflict for the south, as happened in the mountain. In this case, we are working to remove the explosive fuse and create a responsible situation among all the parties. We expect Israel to take this step, and we hope that the international position will be more ethical, so that it will not permit Israel to repeat in the south the crime it committed in the mountain. We are trying to overcome the desire for evil in this matter. I have considerable hopes for the response to this thing. For now, we say that if--God forbid--Israel commits this crime, it will gain nothing. We will overcome its crime, if God wills.

#### The Worst Thing America Has Done

[Question] What do you think of the recent strategic agreement between America and Israel? What effect will it have on the region in general?

[Answer] The strategic agreement between America and Israel is the worst thing America has done in the past months. We take the agreement seriously, but it will not allow Israel to achieve its goals in Lebanon. American will discover that this closeness with the Israelis will not assure its interests in the region. America's interests in the region must be regulated with the peoples of the region.

For America to make Israel the policeman of the region, against the will of the Arabs and Muslims is one of the mistakes the Americans have made. We hope they will retreat from them.

#### The Issue of Those Who Have Been Abducted

[Question] What results have you reached with respect to the issue of those who have been abducted by the Lebanese Forces?

[Answer] The issue of those who were kidnapped has not changed. It is the ugliest and most painful of all the issues contained within the Lebanese question. Until now, we have found no solution to the problem. We will not succeed in finding a practical way to achieve the release of these people, whom we believe to be many. We will continue to exercise all possible pressure in order to find a solution.

[Question] Will the Geneva conference meet again?

[Answer] I believe that it will not. If it does, we hope it will bear the best possible fruit and be completely unlike the first session, in which we gained nothing.

[Question] Do you expect an Israeli-Syrian war in the region?

[Answer] I do not expect that at all. No circumstances exist to bring about such a war. Nor do I expect an American-Syrian war to occur, despite the verbal defamation being exchanged by the two sides.

[Question] What you expect for Lebanon?

[Answer] I fear for Lebanon, especially given the interaction of the regional and international situations. Moreover, if this deteriorating situation or "dissolution" continues, it might lead to the success of Israel's program of division.

12224

CSO: 4404/247

PROMINENT PERSONALITIES CONFERENCE FOUNDER INTERVIEWED

London AL-TADAMUN in Arabic No 39, 7 Jan 84 p 24

[Interview with Wa'il Abu Shaqra, a founder of the National Conference of Economic and Professional Prominent Personalities, by AL-TADAMUN: "25 Economic Organizations Begin a War--Against the War"; date and place not specified]

[Text] At the start of last December, intensive contacts began among some prominent economic personalities and the trade and professional associations in Lebanon. They focused on the need to do something in order to let the voices of these prominent persons and those of similar views be heard with regard to the acts of internecine fighting and killing which have been going on in Lebanon for about 9 years.

In the beginning, these efforts were led by Mr Wa'il Abu Shaqra, the president of the Union of Licensed Accountants in Lebanon and the president of the International Federation of French-Speaking Accountants. He coordinated his activities with the president of the Association of Lebanese Industrialists, Dr Fu'ad Abi Salih, and the president of the General Federation of Workers, Mr Antoine Bisharah. Their contacts produced the declaration of the formation of an economic, labor and professional block consisting of about 25 organizations which represent various production, labor-related and professional sectors in Lebanon. The block is called "the National Conference of Economic and Professional Prominent Personalities." The goals of this block were defined to be working to achieve a final and comprehensive cease-fire over all Lebanese territory, supporting the national dialogue begun by Lebanese President Shaykh Amin al-Jumayyil, working to help the legitimate authorities extend their complete control over all Lebanese territory, and working for a withdrawal of all non-Lebanese forces.

The block is now preparing to hold a general conference in December in order to float its program of action and explain the goals of its activity.

AL-TADAMUN met with the spokesman of the vast majority of Lebanese who reject the war and the fighting. He is the man who originated the idea of creating this economic, labor and professional grouping. He is Mr Wa'il Abu Shaqra. From him, we learned the goals of the aforementioned association, the areas on

which its activities will focus, and the means by which it will undertake the task it has set itself.

In response to a question concerning the circumstances and foundations of the creation of the National Conference of Economic and Professional Prominent Personalities, Mr Abu Shaqra had this to say:

[Answer] The responsibility of self-determination can only be assumed by those whom this responsibility concerns. Each citizen must do his duty. The Lebanese have foresworn the practice of this right and duty and looked to others to play this role. This has made us the bane of our very selves. The tribal mentality has cleared its way into the political administration, whose concept has failed to transcend the policy of the village headman, the attempt to exploit one's position, and the distribution of gains. This has been our ill-omened destiny, in which the ugliest practices have been prominent. Under it, the crudest acts of human slaughter have been committed, while all values have been threatened. We have come face to face with the certain disintegration of our people and land, as well as the sectors which represent the capabilities of our society.

Because we have faith in the fit foundation of these sectors, and because we believe in the necessity of unifying their efforts, concentrating their energies and rendering their collective will effective, especially since they are the living allegory of the solidarity and unity of the Lebanese, still unshaken despite the spasmodic sectarian practices and the political goals which are veiled thereby, we have issued a call to mobilize our potential and rally under the single banner with the goal of rejecting everything which is circulated and practiced in our name, though we are infinitely far from it. But we are the only ones who pay the price, and we pay it in terms of our people, money and land. We want to arise and exercise our right to live, participate in the determination of the destiny which concerns us alone, and re-establish the normal cycle of life for our sectors, which the war has paralyzed. This can only be done by halting the fighting and turning to peaceful dialogue, for the continued obstruction of the productive process and the continued choking of available resources will lead to social disasters the least of which shall be the loss of human life and land.

The meeting of these organizations in the conference is an expression of the opinion and will of the vast majority of Lebanese, all of whom belong to the participating organizations, which consist of the professional unions, the workers' federation and the economic, social and cultural associations. We truly do represent the productive forces in society, just as we represent the national truths and principles to which all give lip service, even those who tinker with the security of the nation and the citizenry.

These organizations are responsible for aiding each other and participating in the bearing of collective responsibility, just as they must lighten the burden on the neck of our sectors, because in this is the measure of civilization for our people. It is the only way by which we can survive and preserve our unity and the soundness of our free economy. Moreover, it is the only way to block internal disintegration, save the rising generations, and prevent the country

from being emptied of its inhabitants, who would be scattered over its territory or sent into exile. It is the guarantee of the independence of Lebanese decision-making.

Dependence does not build a country, and opportunities for making a living do not supply themselves. Rather, they are the result of a desire to manufacture an existence and build a society. Today, we confront this responsibility. We will create the climate needed to assure the public interest, which contains the interest of every one of us. This is the summit of the interaction of creative capabilities and the essence of joint responsibility and the practice of national duty. Foreswearing this role is the essence of backwardness and a flight from those historic tasks which characterize living peoples."

[Question] In response to a question concerning the nature of the block's work and the methods it would follow to achieve its goals, he had this to say:

[Answer] Our activity will consist of defending ourselves and the truth consecrated by the heavenly messages. The time has come for us to practice the right to defend our people and our rights on our land, as well as the vital union by which we are set apart. In the end, we must save what human values are left to us.

In order to achieve all that, and since we are in unanimous agreement and are committed to our patriotic principles, we will act to exert pressure both at home and abroad. We will explain the point of view of the Lebanese majority, whose image has been distorted. The majority became a commodity belonging to anyone who wanted to speak in its name. We will spare no effort in the actions we take to speed up steps toward reconciliation and establish the language of dialogue in place of the weapon of violence. I do not believe any limits will be set to our work, because this faith and feeling of responsibility are incentives for us to work as one in order to preserve our unity and achieve the establishment of the sovereignty of our legitimate authorities over all of Lebanon's soil. Of course, we will encounter difficulties and impediments on our way to our goal, because we have taken up the weapon of non-violence at a time when violence is at its worst. However, the will of the peoples is victorious in the end, no matter how long it takes. This is especially true today because the Lebanese have reached the last limits of their patience. If worst comes to worst and, God forbid, we do not achieve our goals, I say that at least history will record this stand.

We have great trust that our lofty vision, our dignity and our torch are the token of our civilization. We will stay what we are: an active, faithful force that takes no note of dangers. Our sign consists of unity and loyalty to the land of Lebanon and the distinguishing values by which we are characterized. The goal of our values is for us to act as a pressuring force in order to stop the war and insure the participation by prominent personalities in the taking of fateful decisions and the drawing up of vital plans.

12224

CSO: 4404/252

### THREE LEADING FIGURES IN ECONOMY VIEWED

London AL-TADAMUN in Arabic No 40, 14 Jan 83 p 38

[Article by Ibrahim 'Awwadah: "Three Giants Rule the Lebanese Economy: Marun, 'Atallah and Tamraz"]

[Text] The Lebanese war, which has been going on for about 9 years, has brought forth new personalities and leaders in the political sphere. Up until the second half of 1975, when the Lebanese war began, these figures had no political or military importance. Examples of such men are the late President-elect Shaykh Bashir al-Jumayyil, the president of the Progressive Socialist Party, Walid Junblatt, the president of the Amal Movement, Nabih Barri, etc. All are political leaders created by the war. The war created economic personalities and leaders as well who today possess decisive economic power in the country as a result of the wide authority they have been granted. This authority has enabled them to put their hands on the majority of the influential and active infrastructure in the economic, financial and development-related areas in Lebanon. Examples of this infrastructure are the Intra Investment Company, Middle East Airlines, the Investment Insurance Corporation, the National Council for Foreign Economic Relations, the development projects, and the financial and commercial agreements.

Among the most prominent names one hears of on this level of those who today possess decisive economic power are Dr Muhammad 'Atallah, chairman of the Development and Reconstruction Council, Sami Marun, chairman of the National Council for Foreign Economic Relations, and Roger Tamraz, president of the Intra Investment Company.

Let us begin with Dr Muhammad 'Atallah, who in 1977 became chairman of the Development and Reconstruction Council, which was founded as a direct result of the war of 1975 to 1977. It was created in order to rebuild what the war had destroyed. As a result of the broad powers with which it was entrusted, some politicians called the council "the father of ministries," or the ministry of ministries. By way of example, not summation, the authority of this council included drawing up development plans and monitoring their execution, as well as contracting for loans with nations and international and Arab financial institutions, so that sources of financing would be available for these projects. It was also empowered to decide on loan requests from national institutions and to both study and decide on projects proposed by the state's departments.

Thus, the name of Dr 'Atallah became prominent in the area of development economics. He became known as an influential person and the ruler of the most powerful economic "empire" in Lebanon after the war. Although 'Atallah had been a successful businessman and financier who was well known in local financial circles before his appointment to the council, his presence on the Development Council enabled him to become the most powerful, influential and effective man in the economic sphere. 'Atallah remained alone at the center of economic power and decision-making authority until the beginning of 1983, when the creation of the National Council for Foreign Economic Relations was announced. Sami Marun was named chairman, and his name began to shine in economic circles as a result of the broad powers which were granted to this council, which encompassed more than one important banking, financial and economic sector. This fact allowed Sami Marun to enter the economic theater through the large door, thereby becoming the second economic "emperor" in the history of the Lebanese war.

Sami Marun was not well known before the creation of the National Council for Foreign Economic Relations at the end of January 1983, especially in Lebanese economic circles. All that was known about him was that he was a successful businessman, like thousands of other Lebanese businessmen known for their success in their limited fields. No one expected that he would come to possess the most powerful influence on the country's economy; or even on its political life.

The National Council for Foreign Economic Relations, which took the place of the National Council for the Development of Tourism, caused a revolution in the structure of the administrative system which organizes the activity of the public sector, and with good reason. This was due to the flexibility and freedom of movement which it granted to the public sector, in addition to the broad powers which were granted the council over more than one vital economic and financial sector. Thus, in a very short time the council became the axis of Lebanon's economic activity, as well as its basic center and driving force.

The chairman of the National Council for Foreign Economic Relations achieved some concrete success in these areas. Of special interest is his signing of economic and financial protocols with France, Bulgaria, Romania and Egypt. This had the greatest effect on the rise of Sami Marun's star as the most important distinguished economic personality in Lebanon at this stage. When the council put its hand on more than one financial and economic sector of importance, with the goal of correcting their situations and moving them in a better direction, his influence grew and he became the master of the second economic "empire" in Lebanon since the golden age known by the Intra Investment Company in the 1960's.

Now we come to the third economic and financial personality. Today, he is the most important person in Lebanese economic and financial circles. He is Roger Tamraz, who joined the Intra Investment Company last August, when he was elected chairman of its board of directors. Intra is one of the giant economic and financial corporations in Lebanon. It amounts to a separate empire, given the group of 13 companies which it controls as brother companies or dependencies.

Roger Tamraz, the economic and financial personality, was a successful businessman. However, his activities were conducted primarily outside the borders of the Lebanese state. He owns numerous finance companies in Europe, and his main center of operations is in the French capital of Paris. He also owns 77 percent of the shares of the Bank of the Commonwealth in Detroit in the United States of America.

Roger Tamraz was not well known in local financial and economic circles until he became chairman of Intra in August 1983. Then his star began to shine and his name began to be repeated as that of the most important economic and financial personality, next to Sami Marun and Muhammad 'Atallah.

A few weeks after becoming chairman of Antara, Roger Tamraz was able to lay his hands on some of the brother companies and subsidiaries of the mother firm. First he was elected chairman of the board of directors of the Bank of Kuwait and the Arab World, in which Intra owns 53.5 percent of the stock.

Next, Mr Tamraz was elected financial representative on the board of directors of the Middle East Airlines Company, also known as Lebanese Airlines, in which Intra owns 62.5 percent of all the stock.

In his third step, which seems not to be his last, he was elected chairman of the board of the Bank of the Orient, in which Intra now owns 42 percent of all the shares. The company bought up the shares owned by Morgan Guaranty, which amounted to 42 percent of the bank's stock. Roger Tamraz replaced Fahd 'Abd-al-Rahman al-Bahr as chairman of the board. Al-Bahr is now serving as chairman of the board of the Bank of Kuwait and the Middle East.

12224

CSO: 4404/245



# TRIPOLI OFFICIALS EXPLAIN EXTENT OF DAMAGE TO ECONOMIC SECTOR

Beirut AL-NIDA' in Arabic 18 Dec 83 pp 8-9

[Interview with 'Isam Ghamrawi, chairman of the Refinery Workers Union; Walid Mawlawi, general director of Northern Oil Installations; Najib al-Manla, chairman of the Tripoli Chamber of Commerce and Industry; and Jamal Farhani, chairman of the Northern Merchants Association by AL-NIDA': "Tripoli's Economic Position and Challenge of Overcoming Crisis; Damage Is Extensive and Salvation Is an Urgent Task That Cannot Be Delayed"; date and place not specified]

[Text] The economic position of the capital of the north is nowadays being threatened by enormous dangers that may destroy it if effective steps are not taken to guarantee the restoration of everyday life to its normal pace in Tripoli, the port and the other main towns of the north which, along with the second capital, constitute the centers of varied economic activity in the governorate.

The economic importance of the city of Tripoli and of its surrounding area is not just confined to the north but extends to Lebanon generally because the role these areas perform in the Lebanese economy complements the role of Beirut and the other areas in numerous ways while surpassing the role of Beirut itself in some respects.

Until a few years ago, and before the industrial production crisis reached its present stage, a number of basic Lebanese industries (iron, wood, furniture, textiles and so forth), employing thousands of workers, were centered in the city of Tripoli and its outskirts.

Despite the security problems and setbacks, with their numerous causes and manifestations, that have afflicted Tripoli--the latest being the Palestinian infighting--commercial activity in the capital of the north had been growing by a large degree. Construction and real estate activity had also grown. As for Tripoli's port activity, it had been growing steadily and had given the port a big role. Had the state utilized this role, it would have saved many of the losses incurred every time it has been compelled to close Beirut's port.

But doubtless the most important economic utility in the north is the oil installation in Tripoli which, though neglected by the state since its construction, had continued to refine two-thirds of the country's needed oil derivatives and which, almost alone, refines the fuel oil needed by Lebanon.

The destruction inflicted on the capital of the north and its vicinity at the general economic level and the severe ramifications of this destruction at the social level are vast and far-reaching. But before offering pictures of this destruction, we must pause before the fact that has proven itself throughout the past 9 years, namely that the major economic growth of the city of Tripoli has constantly accompanied the growth in its national role. Now, with the beginning of the implementation of the agreement which will enable the city to overcome all forms of Palestinian infighting, there is great confidence that the national leaders who are loyal to Tripoli and the north and who have contributed fundamentally to the solution embodied in the agreement for the departure of Abu 'Ammar and the combatants will be capable of charting the direction of future development of the city and surrounding areas, especially since these leaders are the ones who have played the most important role, with reliance on the citizens' vigilance, in foiling previous seditions. Consequently, Tripoli's national unification role--a role reflected in the fact that the city continues to be a center of coexistence and joint activity by all the citizens of the north--constitutes a role that reinforces this confidence.

#### Extensive Damage and Path of Salvation

Considerable damage has been inflicted on the various economic factors in Tripoli and its vicinity as a result of the constant infighting of nearly 2 months. Entire industries have come to a halt, commercial activity has shrunk to a minimum, the port's traffic has been paralyzed and it has become difficult to secure the services essential for daily life, such as water and electricity. The Qadisha Electricity Company has not been able to supply the needed power, and the hand of crime has been extended to where it poses the threat of full paralysis of the Tripoli Water Authority, as shown in the attacks against the authority's workers and in the kidnapping of the chairman of its workers union even though the company has, under the most difficult circumstances, exerted efforts to continue pumping water to the citizens, with its available resources and capabilities.

With this extensive damage and destruction, the question is: How is the path to salvation and to a revival of the economic sectors to be secured?

In this regard, there is agreement on stressing the idea that the path to salvation begins with a plan that is based on a comprehension of the real dimensions and the direct and indirect impact of the losses of the economic sectors in the north, provided that this plan seeks fundamentally to formulate the measures of salvation that guarantee not just compensation for the losses, especially in the sectors whose role and activity complement the role and activity of the country's other sectors, on the one hand, and of the sectors indispensable to Tripoli and the north, on the other hand.

#### Destruction of Refinery Is Biggest Loss

All believe that the damage inflicted on the refinery in Tripoli is the gravest because of the extremely important position of this vital utility in the national economy, because of the services this utility offers the consumer and

the local market and because of the fact that this utility is tied to the livelihood of a large number of workers and employees.

The refinery section alone employs 285 employees supporting families. More than 205 employees work in the terminal, and there are more than 100 field workers and other workers employed by contractors.

Added to this is the large number of tanker truck drivers, with operating tanker trucks numbering up to 450 trucks daily as a maximum. Attention must also be paid to the volume of activity of the gas distribution companies and their workers in the various parts of the north. All this underlines the dangers stemming from the failure to carry out the repair work as quickly as possible so that the installations may regain their economic position and may preserve their role in producing varied fuels. The reason for noting all this is the enormous volume of the production of the oil installations that meet two-thirds of the needs of the Lebanese market, especially since al-Zahrani oil installations are under Israeli control with the continued oppressive occupation of the south.

#### Need for Repairing Damage to Installations

All that is happening in the Lebanese arena as a result of the U.S.-Zionist-reactionary plot to strike the national economy in order to serve the schemes hostile to the national interest and to serve Israel's efforts to normalize economic relations with Lebanon--all this throws on the shoulders of the state and of the central authorities the responsibility of conducting studies of the damage inflicted on the oil installations in Tripoli and of making the repairs quickly in order to continue the work and to implement the projects announced in 1974 for expansion of the installations. This expansion will fully meet the local market's needs. Therefore, ceaseless efforts are required on the part of the local administration to follow up on the issue that is connected fundamentally with the state's policy and position, according to Walid Mawlawi, the general director of the installations in the north, and to utilize the definite position declared by the workers union to put all the capabilities and efforts at the service of preserving and developing this production utility under conditions where the dollar has reached its highest price in Lebanon's history and where the value of the Lebanese pound has declined.

What is worth noting in this regard is the happiness expressed by a number of the union council members when a generator was put into operation last Friday, producing a considerable amount of electricity to operate the main boiler and to pump the necessary water. This means that if the state wants to start making repairs, to import the needed equipment and piping and to use the terminal reservoirs, the work will be resumed in the installations in the shortest time possible, according to 'Isam Ghamrawi, the union chairman.

#### Al-Mawlawi Discusses Damage

AL-NIDA' interviewed Walid Mawlawi, general director of the oil installations in the north, last Friday while he was holding a meeting of the installations' officials in his office to follow up on the issue of repairs and to prepare the

detailed reports concerning the damage inflicted on the equipment and the reservoirs as a result of the battle which took place in al-Baddawi area in order to present these reports to the ministry and to the central authorities.

Regarding the extent of the damage and its impact on resuming work in the installations and regarding the economic position of these installations, Mawlawi said:

"It is difficult now to assess the extent of the damage. But it is well known to all that the damage is extensive and the catastrophe enormous. The installations, whether in the terminal or in the refinery, have received direct hits. Most of the tanks have been destroyed, with only a few remaining. No in-depth inspection has been made to assess the repairs needed as a result of all these losses. All this is in addition to the pipelines which have been damaged heavily."

Mawlawi added: "At present, the concern of the ministry and of the general directorate is to determine, as carefully as possible, the damage caused in order to submit a detailed report on the issue. The local administration has already submitted an initial report on the damages about which the ministry spoke at the time. As for the studies now being prepared in connection with the repairs, two technical committees have been formed: One to study the question of receiving and delivering oil derivatives by sea and the other to study the question of delivering oil derivatives by land on tanker trucks. This committee is working to submit a report to the ministry in order that it may announce the nature of the repairs needed and the ability of the installations to receive oil derivatives during the period in which the studies are submitted."

Regarding the economic position which the installations hold in the north and in Lebanon generally, Mawlawi said: "It is well known that the installations are vital utilities not only in North Lebanon but in Lebanon as a whole because they supply two-thirds of Lebanon's fuels. It is true that Lebanon's imports and products of the Tripoli refinery and of al-Zahrani are not enough to meet Lebanon's needs. However, two-thirds are produced in Tripoli. At the level of the national economy, the utility is important, very important. We believe that few realize the gravity of the catastrophe that has befallen this utility. As for the initial assessment announced by the minister of industry and petroleum, that is, losses of nearly \$150 million, it is expected that these losses will amount to one billion Lebanese pounds because they consist of two kinds: visible and invisible. We are in the process of preparing the studies to give them to the ministry in order to get the aid to resume work in the installations. As for the technical committee formed to repair the refinery as soon as possible and to operate it at minimum capacity, its role is tied to the final report. All our effort is now focused on the studies. As you know, the state suffers from a big deficit, and it wants to see well researched reports so that it may be able to request aid to resume the operation of this vital utility that is so important to Lebanon."

### Has Issue of Repair Been Settled Quickly?

As to whether the issue of repair has been settled as quickly as possible by the state officials, Mawlawi said: "This issue is subject to the policy of the state, which always seeks to create the conditions for making the repairs, depending on the response of the Arab brothers."

Mawlawi underlined the difficulty at present of setting a time for repairing the installations, noting the state's efforts to complete the work as soon as possible. Regarding the sources of financing, Mawlawi said that this issue is "not within the jurisdiction of the local administration," adding: "We know for certain that the installations are a vital utility. If there is aid for Lebanon, it must be primarily for the installations in Tripoli."

As to whether it is possible to import the raw materials through pipelines from the sister nation Syria, Mawlawi said: "No importation through pipelines from Syria is possible, except for the crude oil that comes from Iraq via Syria."

### Supplying Derivatives and Raising Prices

We asked: "Considering that al-Zahrani oil installations are under Israeli control and that Tripoli's installations have suffered all this damage, what is the impact on the consumer and on the local market?"

Mawlawi answered: "As you know, the government has secured all oil derivatives to the consumer. In fact, the market's needs are secured through importation. Through our current studies, we are about to participate in importing oil derivatives by way of the refinery in order to help the state secure oil derivatives to all parts of Lebanon and in order that we may secure them for the north and al-Biqa' via Tripoli. This is the government's concern at present. But for the time being, until we complete the study, the state will secure the products. I don't believe that there is a shortage. However, there are those who are exploiting the opportunity in the black market."

As to whether prices will maintain their current level in the future, Mawlawi said:

"You have all heard the television symposium in which the minister said that the prices of all our oil products are below the world prices. It is reasonable to anticipate an increase in prices. Should it become evident to the Ministry of Oil that the prices must be raised because they affect, as we have heard, the rising dollar prices and the economic situation in the country. However, this matter is not within my power."

As for the newly developing situation and its impact, Mawlawi reiterated that this depends on the study and on the ministry's decision.

### Losses: Exaggeration, Political Objective and Needed Expansion

We asked Mawlawi: "Both northern circles and local leaders say that the gravity of the refinery's losses and the impossibility of repairing them pass from

the economic framework to the political framework as a result of what is happening in all of Lebanon and that the refinery should be not only repaired but also enlarged under the circumstances of the continued Israeli occupation of the south. What is your opinion of these projections?"

He answered: "Before the events, the state was in the process of improving the refinery and of increasing its production to nearly 45,000 barrels daily. While conducting this study, we were afflicted with the latest catastrophe. We all trust that the state is still seeking to improve the refinery's situation. But before it is improved, the refinery must be repaired and restated to its previous condition, and this is what we are seeking at present."

Regarding the employees' salaries, Mawlawi said: "The state views the employees' salaries from a humanitarian angle. It did so last month and paid all the salaries as usual because, as you can see, the employees report to the installation and go to work. In addition to contributing to the national effort, they realize that their livelihood is tied to these installations."

Regarding the contribution and role of the workers and technicians in rehabilitating the installations, Mawlawi said: "They have the important and fundamental role in this regard."

Concluding, Mawlawi said: "I find that the state is concerned with the installations. Moreover, the leading economic personalities and the leaders of the north show interest in restoring the installations to their previous condition and in improving these installations."

With Union Chairman: Our Interest Lies in Continued Work

From the interview with the general director, we went to interview 'Isam Ghamrawi, the chairman of the Refinery Workers Union, who expressed the interest of 285 employees in seeing the work in the installations resumed as quickly as possible because of their importance to the national economy, in safeguarding the workers' gains and in confronting all attempts to cut off their source of livelihood.

Beginning the interview, Ghamrawi said: "The interest of the refinery workers flows in the direction of resuming work in the installations and of repairing and rehabilitating them as quickly as possible. This is the same view expressed by all the circles in Tripoli and the north that have displayed complete and responsible enthusiasm for preserving this vital northern economic utility. For our part, we say that regardless of the extent of the damage inflicted on the equipment, pipelines and tanks, this damage is less significant than is the importance of the installations and their general benefit. The funds that may be spent to repair the damage inflicted constitute no more than a small part of the financial and economic value the installations have for all of Lebanon and for Lebanese consumers. This motivates us to exert efforts to preserve this resource, and even to strengthen and enlarge it."

## Possibility of Speeding up Renewed Operation of Refinery

As to how to speed up renewed operation of the refinery and how much time is needed for the purpose, Ghamrawi said: "There is no doubt that there is damage. Efforts can be exerted to divert the tanks belonging to the terminal for use by the refinery. This will require several months before operation is resumed, if the state wants to contribute to the effort after importing the equipment needed, including piping, keys and processing materials."

## Role of Union and of Workers

Regarding the role of the union and the workers in making the repairs, Ghamrawi said:

"The union has, as of the first moment, declared its position, which calls for extensive participation in this effort. It has notified management of its readiness to mobilize its resources in order to resume work in the installations quickly. The union has also urged all the workers and employees to pool their efforts and offer all their capabilities to overcome this phase and preserve the installations. We, for our part, reassure our workers that we will confront all arbitrary measures that may affect their interests or their gains which they have achieved through their long struggle. With the union council and with management, we are now studying all the possibilities that may emanate from these circumstances insofar as the unskilled workers are concerned in order that their legitimate interests and rights may not be undermined."

Ghamrawi declared: "We assure the workers and the citizens of Tripoli that we will exert the utmost efforts to preserve this vital utility, the disruption of which affects the interests of thousands of families whose supporters work in the installations or whose work is tied to these installations, such as the daily workers, workers employed by contractors, drivers of the truck tankers, workers for the gas companies, distributors and others."

Ghamrawi pointed out that there is a new boiler in the refinery which has not yet been put to use and which is capable of contributing to the operation of the installations and of the production of the electricity and steam needed by all departments and sections of the refinery.

## State's Responsibility In Renewed Operation of Installations

Regarding the responsibility of the state, Ghamrawi said: "The state is required to secure all the material, technical and financial conditions and resources to speed up the repair operation by advancing a specific loan. We also hope that the Arab countries will take into consideration the damage that has been inflicted on the installations. Moreover, the state must exert efforts to divert a part of the aid for the fundamental purpose of rehabilitation."

Regarding the need to enlarge the installations, Ghamrawi said: "We have been hearing about an expansion program since 1976. We hope that the officials will import the necessary equipment from abroad for the implementation of this program. The refinery's daily output amounts to 5,000 cubic meters of all products."

This production is enough to meet nearly 60 percent of the national consumption. In case the installations are enlarged, we hope that they will fully meet Lebanon's needs."

Ghamrawi pointed out that distillation unit No 2, which was not completely damaged, is scheduled to stay in operation until 1985 at the latest, when it is to be replaced by a unit with a production capacity exceeding that of unit No 2 and unit No 3 together, with this capacity amounting to 4,000 cubic meters of various fuels. The new unit is to be coupled with a sophisticated refining unit capable of converting benzine for direct local consumption.

Regarding the union's plan to face the current circumstances, Ghamrawi said: "Despite the security conditions, the union has begun to hold meetings amidst these developments to study the issues. The union is about to complete its sessions, and the union council will review the situation with the national leaders, beginning with ex-President Sulayman Franjiyah, ex-Prime Minister Rashid Karami and members of the Northern Coordination Committee and ending with the National Grouping for Social Action for the purpose of joint efforts to achieve the above-mentioned objectives."

Concluding, Ghamrawi said: "This is why we support the political solution declared by ex-Prime Minister Rashid Karami and by the Coordination Committee to restore security to the capital of the north and to avoid further destruction through the departure of the combatants from Tripoli and through the restoration of Tripoli's national role. This will undoubtedly lead to accelerating the creation of conditions suitable for initiating the repairs and producing the various fuels needed for consumption in the Lebanese market. Anything else will result in grave consequences and in social catastrophes that will afflict primarily the worker masses and the various groups of our people in Tripoli, in addition to the harm to Tripoli's economic and national position throughout Lebanon."

Al-Manla: These Are Reasons Behind Big Losses

AL-NIDA' also had the following interview with Najib al-Manla, chairman of the Tripoli Chamber of Commerce and Industry:

[Question] What are the damages suffered by industry in terms of production, marketing and costs?

[Answer] Naturally, the Lebanese economy suffered extensive damage as a result of the events which started in 1975. This is due to the destruction inflicted on a number of plants, to the security conditions prevailing in some industrial zones or to the emigration of specialized labor, be it engineers or technicians who specialized in the various fields of mechanics, to the Arab and other countries. There are doubtless additional factors that have played a role, including the fact that Lebanese industry has lost some of its competitive edge in recent years. This is due either to the failure to renew the equipment or to the inability of some of the plants to compete. Let me, for example, cite the competition with some European countries such as Italy, which is now able to manufacture some products similar to the products manufactured



in Lebanon at lower prices than the Lebanese prices. Consequently, these products have been able to invade the Arab markets and to replace the Lebanese products which used to be exported to these markets, primarily to some Gulf states. There is, of course, the problem from which the advanced countries suffer, namely the problem of industrial progress and of production costs in Japan and some other countries. China, the Philippines and other countries have been able to market their industrial products at low prices and, consequently, to inundate the world markets.

We can also talk of the poor public facilities and services offered by the state to the industrial sector--facilities and services further impoverished by the recent events. Foremost among these services is the transportation sector, especially external transportation, because the airport does not operate continuously and the international airlines have stopped using Beirut airport and also because of conditions in the port. We should also not forget a fundamental and important factor resulting from the events, namely the factor of smuggling and of inundation of the Lebanese markets with foreign goods that do not come through the legitimate ports and customs authorities. These goods have posed the greatest competition to Lebanese industry and have, in addition to the aforementioned factors, inflicted extensive harm on the industrial sector. We can add a final factor, namely the weakness of the Lebanese pound and the rising price of the dollar. This has its impact on the competitive strength of Lebanese industrial production and has caused grave harm to Lebanese industry.

Commerce Hit

[Question] How about commerce?

[Answer] It can be said in this regard that until a year ago, the commerce sector, along with the banking sector, was operating normally. It can be even said that the commercial sector was prospering even though part of the commercial sector's activity relied on importing smuggled goods. However, the sector was active and effective and had not suffered harm, unless we exclude, of course, what happened to the Beirut commercial markets and other areas which had been exposed to destruction because of the civil war and because of the plot to which Lebanon had been subjected and which harmed it economically. But it can be said that the commercial sector began to decline a year ago. This is due to the severed communications between the various areas, especially in the south on which the Israeli enemy has imposed a real blockade, and it is now impossible for the southern merchants to import goods or to market their goods in the other parts of Lebanon or even to carry them from one town to another in the south. The prevalent security situation in Beirut has affected the commercial sector, and recently the north. The recent developments and the security situation in Beirut have fundamentally affected the commercial sector, and it can be said that, with the closing of the big establishments, this sector will catch up with the industrial sector in terms of loss and damage, unless this issue is tackled and unless the forces in the Lebanese arena that still reject all the logical solutions to the Lebanese crisis and that still cling to ideas incompatible with the country's interest and future desist.

## Losses in Billions

[Question] Can the aforementioned difficulties be compared with the difficulties directly affecting these two sectors from the events in the north, and what are the dimensions of the damages in figures?

[Answer] Insofar as the north is concerned, it can be said at present that Tripoli has been suffering from complete paralysis for 50 days. The overwhelming majority of the shops are closed, and many merchants have emptied their stores of their contents. Other shops have been subjected to looting, especially in Bab al-Tabbanah. Other merchants fear the dangers of the situation. Only the food stores are witnessing some activity. Thus, the commercial sector in Tripoli is experiencing a fatal freeze that cannot be endured much longer, lest an economic catastrophe befall Tripoli and have its impact on the entire north. Naturally, Tripoli is at present the main artery to the economy of the whole northern area.

The damages are actually estimated in the billions. There are the Tripoli oil installations, which have suffered severe damage, and the oil tanks, which have been almost completely destroyed. The port, including the goods present there, has also suffered extensive damages. The losses from burned timber alone are nearly 15 million Lebanese pounds. Some plants have been either destroyed or burned in al-Baddawl and Dayr Ammar areas and in the port. This is in addition to the businesses burned or looted. The direct economic damage is estimated to be in the billions. As for the direct and indirect economic loss resulting from the forceful closure of businesses and the disruption of activity, it is a truly extensive loss. Without a quick solution that insures neutralizing the Tripoli area from the marginal conflicts occurring in it, unless Tripoli and its vicinity are fully disarmed, unless the internal security forces take over, unless normal life is restored to the city and to the area, unless the political forces engage in purely political activity and unless they refrain from accumulating weapons and making armed confrontation--unless all this happens, confidence cannot be restored to the businessmen, and economic and commercial activity will not be able to regain its vigor.

## Responsibility of State

[Question] Can the state play a role in restoring the capital of the north to its economic position?

[Answer] In fact, many things are required of the state. The first and most important thing is that the state contribute effectively to the contacts and the efforts being made by the Arab forces to save the city from the problems in which it is floundering. Second, the state should allocate adequate security forces for Tripoli and the north. So far, the forces sent have been symbolic forces with inadequate equipment and vehicles to serve their required objective of establishing security in the city. Yet, we know that the security forces have enough personnel and equipment to dispatch a force sufficient to establish security in Tripoli.

As for the state's role in the economic sphere, this role is to rehabilitate what has been destroyed in the north. It hurts all of us to see that none of the development studies prepared by the Development and Reconstruction Board have taken into consideration any projects for Tripoli. What must be done now before anything else is to repair the damage suffered by the refinery. This requires aid from the Arab countries. The state itself must elicit this aid, especially from Saudi Arabia, so that it may advance financial assistance because repairing the refinery is a financial task that exceeds the state's resources. This refinery is a fundamental and important utility not just for the north but also for all of Lebanon and for the Arab region.

#### Importance of Rehabilitating Tripoli's Port

Tripoli's port must also be repaired so that it may be able to perform its real role in securing the desired port services. The state is also required to secure basic services for the citizens, such as electricity, water, roads and other services, in addition to advancing loans to the victims and to the industrialists because we aspire to restore life to the industrial sector in the north. Many of this sector's establishments have been forced to stop their operations because of the latest events. We aspire to see this sector resume its role because many of the heavy industries existed in the north, and we were truly proud of this sector and its activity and their impact in terms of providing employment to thousands of workers who have now been forced to join the various militias--a fact which has its negative impact on the economic and social spheres and on the future security of Tripoli and the north.

#### Impact of Rising Dollar Value

[Question] The dollar has reached its highest price ever in the history of Lebanon. What is required of the state to deal with the ramifications of this fact on the general economic situation in Lebanon?

[Answer] At present, it seems that the policy of the Central Bank is to curtail the sharp fluctuations in the price of the dollar. There is no doubt that the rise in the price of the dollar has a very serious negative impact on Lebanese industrial and agricultural exports. This rise in the price for a country like Lebanon, which buys most of its needs from abroad with hard currencies, will lead to higher prices and to a higher cost of living under these difficult conditions. Consequently, it leads to financial inflation and to hardship for the classes that are suffering severely from the country's present conditions and that cannot secure the minimal requirements of life. Thus, the rise in the dollar price is reflected in inflation, a higher cost of living and more hardship for the people.

What the state can do in fact is to intervene more strongly than it is doing at present and not just adopt the policy of curtailing the sharp fluctuations but also try to restrain the inflation, especially if it is caused by the speculation of Arab and foreign capital because of the quick and abundant profit which this speculation is yielding to these groups--a profit not generated at present by the world markets in any activity.

## Budget: Big Spending in Wrong Place

[Question] What is your opinion of the 1984 budget as announced?

[Answer] Actually, there is a fundamental point that has drawn my attention, namely that despite the difficult circumstances being experienced by the country and despite the deficit in the trade balance, in the balance of payments and in the state budget, we have not noticed any austerity policy. There are numerous instances of misplaced spending. At present, even the very rich countries curtail their unnecessary spending, whether for the construction of government buildings, for office furniture in the various ministries and departments, for trips abroad, for diplomatic missions or for some councils, such as the Tourism Development Council, which no longer has any role and because of which the state loses millions of pounds. I believe that there is a broad range of choices for curtailing spending if the policy of austerity is adopted to reduce the deficit in the budget.

Regarding the defense's share of the budget, al-Manla said:

"It is natural that the first provision of the state budget which pertains to the salaries of civil servants and, now, to defense consumes the major part of the state budget. As a result, not enough funds are available for the aid projects. So far, only one-third of the Arab aid promised Lebanon has been delivered. Consequently, these projects have remained mere ink on paper, either due to the unavailability of funds or to the unstable security situation. Therefore, what is needed before anything else is to find a sound national solution that guarantees the return of the state with all its institutions in a democratic manner, that restores national unity to the homeland and to all its institutions and that enables Lebanon to ask the Arab countries to help it overcome its tribulation, especially since this tribulation and crisis is Arab-made and not the result of the Lebanese conflicts about which a lot is said and which have been used as no more than an instrument of detonating an explosion.

## Notables and Coordination Committee

[Question] In light of the memorandum addressed by the economic leaders to the Coordination Committee headed by ex-Prime Minister Rashid Karami, how far can the tendencies of the Coordination Committee serve the aspirations of the economic leaders?

[Answer] Insofar as the Coordination Committee is concerned, the main demand of the economic sectors and their organizations is that a real pause be taken to examine the latest events and the events preceding them. These events, from which Tripoli has suffered for years, are fabricated events financed by foreign capital. They have had a negative impact on the citizens' daily lives, on economic life and on educational conditions. There is no basic or fundamental reason in Tripoli or in the north for the occurrence of such events. Therefore, what is required is a real, not verbal, termination of the armed confrontations, i.e., a withdrawal of the heavy weapons and of all weapons from the militias in Tripoli and a neutralization of this city vis-a-vis the disputes that are fabricated inside it, lest the city's economic situation degenerate and wither and

the city be subjected to a catastrophe. This city consists fundamentally of small businesses, craftsmen and shop owners who earn their livelihood from their activity. If the plants come to a halt, the shops close and the paralysis in public life continues, the citizens will not be able to secure a source of livelihood for their children and Tripoli will be exposed to an economic and social catastrophe.

This is why we urge all the forces, not just the Coordination Committee but all the leaders, to respond to this demand out of a humanitarian, national and religious duty which urges all to give the issues of the city's security and of the citizens' interests top priority.

Merchants Association Chairman: These Are Losses

With the decrease in the city's commercial activity and the decline in its production activity, the Tripoli's economic and labor union organizations are now working to chart the broad lines for the salvation plan and to establish the means for restoring economic vigor when tranquility and stability are restored to the city.

While the economic circles have been studying economic conditions in the north and gathering statistics on the outcome of the crisis that has hit Tripoli, AL-NIDA' interviewed Jamal Qarhani, one of these economic leaders, in the wake of the first meeting of the Chamber of Commerce and Industry, which was held last Friday, 9 December 1983. Jamal Qarhani, the chairman of the Northern Merchants Association, had moved with his family to the coastal town of Shikka. Here is the interview:

[Question] What is the impact of the latest events on Tripoli's economic market at present?

[Answer] These events have had a grave impact, considering that they were preceded by other events 5 months ago. From that time to the present, the commercial market has been afflicted with successive catastrophes, and the economy is completely paralyzed at present. This is a fall from which the market cannot at all recover quickly. The events have resulted in damage in the form of destruction, burning and looting, not to mention the lives claimed as victims of these events. There is also the winter season and the holiday season, which the various economic sectors await at this time of the year, because the major and strongest part of the commercial activity occurs in this month. Commerce in Tripoli is experiencing a stifling crisis, whether in terms of the inability to sell their goods or of the mounting debts owed by the merchants. As we have already noted, merchants buy large quantities of goods for this reason. The events came and left the goods unsold, with some damaged and some "outmoded" as a result of the change of fashions. Thus, the goods have stayed in the shops, not to mention the fact that some goods shops have been looted or burned.

Today, we held a meeting for the economic organizations in Tripoli to discuss the issues of the hour and to consider how we can restore the market's activity and vigor. This is a very difficult thing to achieve because it is tied to the

security aspect in the first place and to financial liquidity in the second place. Tripoli has suffered a major economic loss as a result of the events.

#### Losses Ranging From 80-85 Percent

[Question] What is the rate of the losses?

[Answer] The losses range from 80-85 percent in the past 5 months. We have not gathered precise statistics because the crisis had not ended yet and we don't know what will develop tomorrow. This is why the statistics are delayed until a normal, or near normal, situation is restored so that we may be able to gather these statistics. However, there is one thing we cannot conceal, namely that confidence in the market has become very weak. The customers have turned from Tripoli to other areas. These are traditional customers who come from the Lebanese provinces. Considering that Tripoli's population is not present in the city, what can we expect of the districts?

#### Establishments That Have Abandoned City

[Question] What is the number of the establishments that have abandoned the city, and what type and category are they?

[Answer] Some establishments have abandoned the city and moved to the districts. We know of some of the, but we cannot count and classify them at present. Let us cite, for example, the furniture businesses and their subsidiaries, in addition to other businesses which I cannot count. But I know for certain that some businesses have moved to the other areas.

#### Total of 6,800 Businesses Suffered Damage

[Question] What is the future of the retail merchants, for example?

[Answer] There is no doubt that retail merchants are the biggest group and that the city developed as a commercial market and an economic center not just for Tripoli but for the entire north. According to our statistics, there were an estimated 6,800 businesses in 1982 and Tripoli was then an international market, not just a local market, because a large number of people from neighboring countries, beginning with Syria, came to Tripoli to purchase their needs. Two kinds of clients, the wholesalers and the retailers, came to us. These people have completely stopped coming to the city. The merchants prepared their shops and stocked them heavily, anticipating the arrival of their customers from Tripoli, the districts and Syria. We are now conducting a survey on the extent of damage suffered by the businesses so that we may be able to present a list of these damages in the near future.

#### Immediate Measures and Demands

[Question] What are the measures that can be taken in light of the regulations?

[Answer] To start, the situation must be reviewed with the state, even though we know that the state, except in name, is practically absent from Tripoli. Even Lebanese television, and let those in charge hear me, described the

conditions in the other areas in detail while mentioning the events in Tripoli in passing, whereas the approach should be different because destruction, burn-looting and plundering have occurred in Tripoli. This means that we have a major catastrophe on our hands.

[Question] So what are the immediate demands desired from the state to deal with and rectify this situation?

[Answer] We want security primarily. If security is established, the merchant can pull himself together and stand on his own feet. If the security remains unstable, as it is now, no assistance will be beneficial and no individual activity or initiative will do any good.

[Question] Recently, the price of the dollar reached a level unprecedented in Lebanon's history because of the well-known and prevalent conditions of unemployment and because of the decline in the production and other sectors. This increase has had its impact on the Lebanese pound. What is your assessment of the consequences of this increase, what is required and what is the impact of the state's position?

[Answer] The increase in the dollar prices is due primarily to the weakness of the Lebanese pound. The dollar has not risen. It is the Lebanese pound that has declined. Therefore, the Lebanese pound must be measured against the other currencies. We recall that before the events, the Syrian pound was sold in Lebanon for 58-59 [Lebanese piasters] whereas it now sells for 83-85 [piasters], meaning that there is nearly a difference of 50 percent between the two prices. By subjecting the dollar to the same computation process, the percentage will amount to the same.

Insofar as the impact on the economic conditions is concerned, Qarhani said: This increase in dollar prices leads to an increase in the prices of goods, and this increase will exhaust the consumer. As for dealing with the situation, I believe that the state cannot do anything, regardless of how strongly the Central Bank intervenes to stop the decline of the Lebanese pound. The bank cannot do anything practical, except within very narrow limits. The state's revenues have declined and its spending and costs have grown.

Qarhani added: If there is goodwill, then the state is supposed to be a state in the true sense of the word and must perform its duties as required. As to how, I cannot determine this, and it is up to the rulers to determine it. It is in the interest of the state to double and concentrate its efforts to save Lebanon.

[Question] Can Tripoli regain its economic position in the future?

[Answer] Yes, it can if, as I have already noted, security is established, if the citizen's confidence in the state and the law is restored.

**We Support Ex-Prime Minister Karami's Efforts**

Regarding the procrastination in implementing the political solution in Tripoli and the consequences of this procrastination, Qarhani said: We leave these

issues as they have been declared and sought by ex-Prime Minister Karami. He is exerting extensive and commendable efforts, and we wish him success so that this country may overcome its crisis and Tripoli may dress its wounds and regain its era as the unique and united national and pan-Arab family. We implore God to restore to Tripoli its normal life.

[Question] What are the ramifications of these conditions for social life, especially since there is a large percentage of workers who live on a daily income?

[Answer] There is a large number of workers who depend on daily income, primarily workers in businesses and establishments, workshops and maintenance establishments, drivers, vendors, machinists, craftsmen and others. Every businessman has 3-4 day laborers, and I estimate that the day laborers make up 34 percent of the total number of workers. Socially, we are living in a real catastrophe as a result of the homelessness to which these workers have been driven and to the disruption of their work. This situation requires quick efforts to assist these workers and to rescue tripoli from the crisis.

8494

CSO: 4404/225



## INSURANCE INDUSTRY: PROBLEMS, PROSPECTS

Beirut THE ARAB WORLD WEEKLY in English No 699, 24 Dec 83 pp 13-16

[Text]

According to statistics revealed by the Association of Lebanese Insurance Companies total net premiums collected by insurance companies in 1982 amounted to LL 228.054 million compared with LL 188 million in 1981, or an increase of LL 39.8 million, i.e. by 21.2 per cent. These statistics cover 65 active insurance companies. A total of 21 insurance companies did not report any production for 1982 nor did it report any taxable premiums for the year.

Lebanon has had a thriving insurance trade for more than 20 years. Prior to 1968 there were 12 national and 83 foreign insurance companies operating in Lebanon. But with the passing of the Insurance Law in that same year, the number rose to 40 national and 64 foreign insurance companies, or a total of 104 companies.

Nonetheless, the growth of the insurance sector has been beset by a number of problems which may be outlined as follows:

- a - High turnover of insurance companies: From the start of insurance activity in Lebanon and until 1967, 27 insurance companies withdrew from the market. Between 1968 and 1980 another 50 companies withdrew from the market of which 48 were foreign companies. This brought the number of companies that had withdrawn to 77 (76 foreign companies and one Lebanese company).

By the end of 1980, the number of insurance companies authorised to operate on the Lebanese market stood at around 100, which indicates that more than 70 new companies had been set up since the late 1960s. Of this total, however, only 63 companies were active in the sense that they concluded and reported insurance contracts during the year. Authorisations were also granted for 9 new national insurance companies in 1980 and seven other applications to establish insurance companies were under study.

In 1981, the number of authorised insurance companies dropped to 72 companies, of which 65 companies were active, while the rest did not report issues of insurance policies during the year.

- b - Unrestrained Competition: The rapid growth in the number of insurance companies operating in Lebanon, combined with the limited size of the market, bred fierce competition among the smaller companies, especially the newcomers. Premium-hungry companies, driven by fast profit and survival motives have resorted to blind competition, and have in some cases undercut premiums to levels at which their reserves were rendered insufficient.
- c - Segmented market: Insurance companies operating on the Lebanese market are divided into two main categories. The first category groups the ten largest companies with respect to premiums collected. These companies enjoy a long presence on the Lebanese and Arab markets and their share of the Lebanese market has ranged between 45 per cent and 60 per cent since 1972. In 1972, premiums collected by these companies (excluding premiums on life insurance) amounted to LL 20 million, an average of LL 2 million per company. By 1980, the total of premiums collected had trippled to LL 60 million, or to an average of LL 6 million per company.

The second category groups the remaining companies. Premiums collected by these companies averaged at LL 400,000 per company in 1972 and rose to LL 660,000 per company in 1980.
- d - Limited underwriting: Underwriting, which is an essential basis for equitable tariffs within the insurance trade, and which enables insurers to honour commitments and obligations to clients, is marginal in Lebanon. Limited underwriting activity and fierce competition have resulted in low insurance rates that often reflect adversely on services rendered. Reserves are equally low, and precarious balances between collected premiums and reserves have led to some failures among the smaller companies.

On the managerial level, many second category companies suffer from a lack of specialisation both administratively and professionally, and in some cases a lack of knowledge of the fundamentals of the trade. The prospects for such companies seem highly discouraging.

#### Insurance Activity in 1980-1982

Gross direct premiums collected by insurance companies in Lebanon in 1980 amounted to LL 150 million, a 3.4 per cent increase

over the 1979 level of LL 145 million, and a 42.8 per cent and 50 per cent increase over the 1978 and 1977 levels of LL 105 million and LL 100 million. In 1976 gross direct premiums collected amounted to LL 26 million only.

According to Lebanon's insurance law, 25 per cent of gross direct premiums collected are not liable to tax. This implies that total taxable premiums in 1980 amounted to LL 112 million, of which were appropriated LL 6.675 million in "municipal fees" and close to LL 4 million in fiscal fees, leaving net premiums after tax of LL 101 million.

In 1981 premiums rose to LL 188 million and in 1982 they

In a bid to correct the problems of unhealthy competition in the insurance industry, particularly from newcomers the Association of Insurance Companies in Lebanon persistently demanded that no more licensing should be given to new companies. Before the Israeli invasion of Lebanon in 1982 five new insurance companies were preparing to start operation in Lebanon. These were:

- The General Guarantee Group (3G) S.A.L. established by Gabriel Jadaa and others including Ibrahim Sultanum and Lucien Sahiouni;
- The Iskan Insurance and Reinsurance Company S.A.L., established by Johnny Iskandar and brothers, who were previously involved in insurance as agents in Lebanon for Sumitomo of Japan.
- Lebanese-African Insurance and Reinsurance Company (LAICO) established by Diab Nasr, Banque Nasr Libano-Africaine and Fouad Farhat;
- Representative office for Al Arab General and Life Insurance of Jordan;
- Representative office (through Etablissement Delbourgo) for Central Insurance of the Netherlands.

Figures available for 1982 reveal that the trend within the insurance industry in Lebanon continues to be one of concentrated production in the 10 leading companies. The figures reveal that the first 10 insurance companies out of the 88 companies that were registered for operation in 1982 received premiums totalling LL 135 million or 59.2 per cent of total premiums collected by all companies in that year.

The first ten companies include eight national companies and two foreign companies (by registration and not necessarily by registration).

American Life Insurance Company (ALICO) which has long-standing experience in the life branch has received more than 50 per cent of total premiums collected in that branch in 1982.

The Societe Nationale d'Assurances (SNA) came in second position collecting LL 9 million in premiums in the life and non-life branches. l'Union Nationale came third collecting close to LL 3.2 million.

Total net premiums in the non-life branches amounted to LL 168 million in 1982, compared with LL 141 million in 1981, an increase of LL 27 million, or by 19.1 per cent.

Fifteen companies collected 64 per cent of the total premiums produced in the non-life branches these totalling LL 107 million. Bankers Assurance was in first place collecting LL 14.118 million and l'Union Nationale was second collecting LL 14.110 million. A salient feature of insurance company results in 1982 is that national companies received the lion's share out of total premiums collected, these being considerably higher than what was collected in 1981.

Of total non-life insurance premiums collected in 1982 national companies received LL 129 million, or 76.8 per cent of the total. In 1981, national companies received 74 per cent of total premiums collected in the non-life branches.

These figures have positive and encouraging implications with regard to the insurance industry. In the first place they reflect continuity of national insurance companies in providing their service and expanding their operations while foreign companies are more prone on wrapping up their Beirut operations in view of persistent instability and insecurity.

The concentration of the larger share of collected premiums in the hands of national companies is not an indication of monopolistic trends in the market but was rather the result of fierce competition. The insurance sector, however, remains deficient and some degree of regulation should be introduced to ensure healthy reserves, particularly by the smaller and younger companies and to reduce the degree of competition in the market which is adversely affecting the levels of reserves and the quality of services to clients.

CSO: 4400/140

## BRIEFS

OIL OUTPUT--Oman's oil output has reached 400,000 barrels a day, up nearly 25 per cent from its level a year ago. Hans Brinkhorst, managing director of Petroleum Development Oman gave the figure in a new year message to staff which appeared in its latest house magazine. [Text] [GF110616 Manama GULF DAILY NEWS in English 11 Jan 84 p 2 GF]

TRADE WITH EGYPT--During the year 1983 Omani imports from Egypt totalled about \$800,000 while Omani exports to Egypt totalled about \$870,000. [Summary] [GF301832 Doha QNA in Arabic 0750 GMT 30 Jan 84 GF]

CSO: 4400/151

PALESTINIAN AFFAIRS

JOURNALIST ON HUSAYN'S MOVES

TA220837 Jerusalem THE JERUSALEM POST in English 22 Jan 84 p 8

[Commentary by "Palestinian journalist" Jamil Hamad: "Focus on Husayn"]

[Text] Last week, King Husayn decided to convene the Jordanian Parliament after a 17-year adjournment in order to have its approval of a motion calling for general elections. Frankly, this step came as no surprise to Jordan-watchers. The option has always been available to the king. Western observers are already beginning to see the move as one that could stimulate the peace process in the Middle East. They feel that the recall of the House of Deputies could provide Husayn with a quiet and legal way of undertaking the representation of the more moderate Palestinian element in any potential peace process, despite any former agreements with the divided PLO.

What is pushing the king? Why act now? A number of factors, along with some recent developments, combined to goad the king into the action he took.

He has been worried about the proposal for a Palestinian government-in-exile suggested by Egypt long ago. Such a body would make Jordan's potential role in any negotiations ambiguous: It would destroy any vestige of Husayn's claim to sovereignty in the West Bank.

He wants to let 'Arafat know that kings will not wait for ever for mere chairman to act. On January 9, the Kuwaiti newspaper AR-RA'Y AL-'AMM quoted a highly-placed Jordanian official: "If 'Arafat doesn't come to Amman to resurrect talks with Husayn, Jordan will negotiate with West Bank deputies on ways to solve the Palestinian problem."

The king also wants to signal the Reagan administration, so that the Americans will let up on pressuring him to get into some sort of negotiations--or else. He expects the Americans to understand that he needs time to develop a formula that would give him a constitutional ground for representing the Palestinians. This ground work might take about six months.

Husayn is extremely perturbed by Israel's attempts to extend Israeli law to the West Bank; he must reestablish and reiterate that legally, the occupied West Bank is still a part of Jordan. The recent Knesset approval

of the application of certain Israeli laws to the settlements has been understood in Amman as only the first step towards de facto annexation of the occupied territories.

Egypt, too, is struggling to counter the extension of Israeli law to Gaza. Jordan wants to use its own constitutional argument to block Israel's strategy. Egypt is arguing that the Israelis are violating the Camp David Accords as well as UN Resolution 242.

The U.S. administration has remained strangely silent about Israel's recent moves to integrate the West Bank and Gaza into its legal domain. This silence is possibly a tactic, a subtle kind of pressure on the Arabs to relent and consent to join in negotiations before the inevitable happens. Husayn may be the only Arab leader with any understanding of Washington's more subtle strategies and signals.

Problems facing Amman in the West Bank aside, other problems face the king in the East Bank. Now that he has reconvened Parliament, what will he do with it? In what directions can he move cautiously forward? He reminds me of a little old lady who keeps a car in the garage and never takes it out unless she absolutely has to. When she gets out on the road and comes to an intersection she has to decide whether to turn left or right, or go straight. She may even panic and head back home! Now that he has Parliament out of the garage, Husayn could turn in several directions.

What about PLO-Jordan alliance? That kind of coordination is out of the question at present. 'Arafat might visit Amman but he wouldn't risk signing any kind of accord with Husayn. He is on a razor's edge; he can speak of Jordan in honeyed words, but he cannot give the king a mandate. Last year, 'Arafat maintained the unity of the PLO--temporarily, as it proved--by withdrawing from the so-called Palestinian-Jordanian dialogue. This year, 'Arafat must maintain the solidarity of his remaining supporters. These are the tactical reasons limiting 'Arafat; but he continues, as always, to reject flatly the Camp David accords and the Reagan plan. It seems hardly likely that 'Arafat and Husayn will find a common language for any projected negotiations.

Could Husayn ask the newly appointed "West Bank deputies" for a Palestinian mandate? This is an improbable scenario. The legitimacy of those appointed deputies can hardly bear a challenge; their rights of representation are somewhat less than unimpeachable.

Might not a mass grass-roots movement in the West Bank arise demanding an 'Arafat/Palestinian agreement with Husayn, followed by a mandate to the king to negotiate on behalf of the Palestinians--simply as an expedient to bring the hated occupation to an end? Wishful thinking, I am afraid. Palestinians face many difficulties and restrictions in getting organized politically: The Israeli military administration discourages that kind of thing. Also, the so-called local Jordanian elements are very poorly organized, with no experience in recruiting supporters. If--a big if--such a movement were

to develop and make such demands, it could only be as a result of Jordan's changing its tune and coming to respect, and deal with, the West Bank as it is today.

It is likely that Husayn might decide to appease Damascus in order to effect a Syrian-Jordanian reconciliation, in the hope that the PLO's wounds could be healed and a pacified PLO give him a Palestinian mandate? Unfortunately, Syria is too strongly committed to its own strategic goals which include getting rid of 'Arafat. Nor would Jordan ever be prepared to agree to Damascus' regional claims.

Is it possible for Husayn to ask the next Arab summit for the authority to speak for the Palestinians? Present Arab political considerations, regional and internecine wars, and conflicting outside commitments would cancel out any real significance to such a request, or any agreement to it.

There remains the probability that the king will stick to his present agenda, calling for general elections in the East Bank, appointing those "West Bank deputies," and talking in pious terms of PLO legitimacy and rights, of independent Palestinian rights, etc. This course of action could provoke no one. At the same time, it would give Husayn the possibility of moving in any other direction should conditions change. Most important of all, it would not endanger the survival of the Hashemite throne.

I refuse to make any prediction as to what the king of Jordan will do next. I am quite certain, however, that he will take no serious risks.

My real fear is that whatever happens next on the East Bank will affect the West Bank. Once again the Palestinians in the West Bank have been overlooked, their fate and future dissected and discussed as if the movement of captains and kings in another solar system should content them. Surely no people have ever had so many representatives, deputies and spokesmen!

Somehow I feel that, once again, the train has rushed right past the station without stopping for the passengers.

We can explore and examine each and any of the factors pushing Husayn into acting once again like a man who wants to be ruler of his former sovereign territory. We can analyse the pressure behind pressures, and what kind of match put to what kind of fuel makes what kind of flame. There is still the factor--the main factor, I might add--of the West Bank itself and its Palestinian population. Just what kind of a response is counting on in the West Bank? Is he all that confident of support? Is he acting as an autocrat or as a representative?

After the Rabat summit turned over to the PLO the sole representation of the Palestinian people, Husayn's supporters in the West Bank became Fatah supporters. Not one of those who had benefited from Amman's largesse and their loyalty to the throne raised a voice in support of the king's rights in the West Bank. No one protested that the Jordanian constitution does not empower



the king to turn over part of his sovereign territory (the West Bank) and its inhabitants (who were Jordanian citizens) to anybody except by some aberrational amendment of the constitution of Parliament.

West Bank "pro-Jordan" elements are today a paper faction, reflecting no real political clout. A few self-seekers ready to sell their loyalty to the highest bidder, who comprise the bulk of the king's "loyalists," have not done Jordan's reputation much good in the West Bank. Nor is there any indication--either here or in Jordan--that the Amman government recognizes or understands the current realities in the West Bank.

Amman is going to have to gird its loins and deal with those political and social realities as they are in 1984, and not as they were in 1967. Palestinians have not been frozen in suspended animation for 17 years: We are no sleeping princesses, comatose since 1967, waiting, still young and innocent, for the king's magic kiss. And we have not been blind to the activities and nature of most of Jordan's bought "loyalists" here.

In THE JERUSALEM POST of April 9, 1982, I wrote: "We in the West Bank are not the same people we were in 1967...We are no longer the stepchild of the administration in Amman." And I cited several examples of the activities of Amman's "agents" in the occupied territories. Amman treats these agents as the representatives of Jordanian legitimacy in the West Bank; West Bankers see them only as Jordan's legitimization of corruption.

Nor can one place any more credence in the so-called "deputies" for the West Bank chosen for the Jordanian Parliament. These men are not the representatives of the West Bank Palestinians. Those watching Jordan TV for the sight of their "representatives" no doubt immediately developed the same kind of peptic ulcer as is afflicting King Husayn. In fact, he may be suffering from his, for the same reason we are suffering from ours.

This problem of Amman's "time-warp" (which is not a matter for joking, I know) has got to be tackled--and quickly. There are serious practical questions of what kind of representation, of financial irresponsibility and immorality, and of respect, esteem and equity for the Palestinians of the West Bank that Amman can no longer ignore.

CSO: 4400/137

# GOVERNMENT HITS SHELL WITH 500 MILLION DOLLAR CLAIM

Doha GULF TIMES in English 12, 13 Jan 84 p 1

[Text]

ARBITRATION proceedings have begun in Paris to resolve an estimated \$500m claim against the multinational oil group Shell following the destruction of a Natural Gas Liquids (NGL) plant in Qatar in April 1977.

Shell Internationale Petroleum Maatschappij (SIPM), a service subsidiary of the Royal Dutch/Shell built the plant whose six storage tanks had been supplied and installed by an English engineering firm Whessoe, under a contract from Shell in 1972-73.

Exactly a year before the explosion one of the propane tanks installed at the plant de-

veloped a rupture which was jointly investigated and repaired by Shell under the supervision of Shell.

But in April 1977 the same tank again developed a rupture causing a devastating fire and explosion.

Six lives were lost and the complex was destroyed.

It is claimed that the construction of the tank was below specification and a pre-repair investigation carried out by Shell and Whessoe jointly arrived at an incorrect conclusion.

Qatar has demanded compensation to cover the replacement of the plant, the loss of lives and the loss of recurring revenues.

CSO: 4400/145

# BANK PROFITS SAID DOWN 18 PERCENT IN 1983

Doha GULF TIMES in English 12, 13 Jan 84 p 1

[Article by K.N. Sharma]

[Text]

MOST banks in Qatar seem likely to report reduced profits on their operations in 1983.

The semi-government Qatar National Bank and the all-Qatari owned Doha Bank and Commercial Bank of Qatar, which had reported record profits of over QR71m, QR46m and QR24m respectively in 1982, could well have closed their books on 1983 with their profits cut back by between 8% and 18%.

Ten foreign commercial banks are also thought likely to report lower net incomes.

One exception to the general trend is Citibank which saw its profits go up last year, due to

partly a planned reduction in administrative expenditure.

Comparisons from Qatar Islamic Bank are not available since the bank is still in its first year of operation.

A senior banker attributed the fall in profits to reduced spending by the government and businesses last year.

Some bankers said the government deposits which traditionally formed the bulk of their business declined during 1983.

Outlook for 1984 may not be very optimistic, according to most bankers, because the general slump felt by the trade and commerce last year, may percolate down to the banking sector.

CSO: 4400/145

## BRIEFS

**QAPCO SEEKS EUROPEAN LOAN**--Qatar Petrochemical Company (Qapco) is seeking a \$100m Euroloan to finance new work and service a previous loan, according to an authoritative source. Qatar's Ministry of Finance and Petroleum will guarantee the loan expected to be lead-managed by a London-based international bank, Gulf International Bank, Qatar National Bank and Arab Petroleum Investment Corporation (Apicorp). The new loan is to be used for setting up a new computerised facility at the plant to facilitate production of ethane-rich gas, the essential feedstock of the Qapco. Since its opening in February 1982, the plant has not been able to run at its normal capacity due to the shortage of the feed supply from Natural Gas Liquids (NGL) plants. Qatar's two NGL plants have themselves been largely starved of gas supplies from onshore and offshore fields due to a drastic fall in oil production and in at least one case pipeline corrosion. Qapco's proposed turbo-expander facility is estimated to cost about \$55 m. Qapco had earlier raised a \$60 m Euroloan lead-managed by GIB, Apicorp and QNB in 1982. But it was not guaranteed by the Qatar Government. The company is 84% owned by Qatar General Petroleum Corporation and 16% by France's CDF-Chemie and managed by the French company under a contract. Qatar has also taken a 40% stake in CDF-Chemie's Dunkirk petrochemical complex--Copenor. [Text] [By K. N. Sharma] [Doha GULF TIMES in English 10 Jan 84 p 12]

**OIL POLLUTES BEACHES**--Large patches of oil slick have again polluted several beaches in northern Qatar, a well-informed source told Daily Gulf Times yesterday. Beaches affected with heavy oil are said to be Maroonah, near Fuwairat, al Mafilyar, near al Ghariyah, Ras Umm Hasaha, Ruwals and Badlouf. Most of these beaches were clear until recently but since Friday heavy patches of oil slick have appeared. The source said cleaning camps were now closed except at al Jumaillyah, and much less monitoring was being done now to track the movement of the oil slick. The source said: "From time to time we have to face this problem. Oil will keep coming to hit our beaches for many years unless the original source of pollution is stopped." [By T. M. Anantharaman] [Text] [Doha GULF TIMES in English 17 Jan 84 p 1]

CSO: 4400/145

PETROMIN AIMS AT SAUDIZATION OF LABOR FORCE

Riyadh AL-RIYAD in Arabic 22 Nov 83 p 11

[Article by Sa'ud al-Masibih: "90 Percent Saudization of Jobs in the Kingdom's Oil Projects"]

[Text] Dr 'Abd-al-Hadi Hasan Tahir, governor of the General Organization for Oil and Minerals (PETROMIN), has issued a decree raising the remuneration that is paid to students matriculating in industrial secondary schools, on behalf of PETROMIN, who hold a middle-level certificate of competency, to 1,000 riyals per month. This is to encourage them to master their scientific and technical studies.

He also issued a decree appointing 184 graduates of the industrial and commercial institutions in the kingdom, who had been studying at PETROMIN's expense. That fell within an ambitious agreement to graduate a generation of petroleum technicians on an academic basis coupled with technical field experience, in cooperation with the General Organization for Technical Education and Vocational Training.

The director general for training and manpower development in PETROMIN said that the number of PETROMIN students currently registered in those institutes and schools total 459. There is also a group of Saudi university students registered under the name of PETROMIN projects in Saudi universities, numbering some 121 students in the University of Petroleum and Minerals and King Faysal University. This is under a plan of training students at home by PETROMIN projects, so that they will join the employ of the organization and its projects after completion of their university studies in various specializations.

The manpower development management has been able to appoint 156 Saudi university graduates to projects since the beginning of the manpower plan in November 1980. These are specialists in various branches of engineering, general administration, accounting, industrial management and the sciences. This was in addition to those appointed directly by the projects, some 176 university graduates.

Thus, PETROMIN is watching over Saudi engineers and university students, both in terms of academia and training, in order to elevate their technical skills,

as a point of departure for the government's policy to rely on trained national labor in managing the activities and projects of the organization. In view of the constant expansion and development in the size of PETROMIN and its projects, there is still a constant need for more young Saudis to assume responsibility and participate in achieving PETROMIN's ambitious goals.

Concerning the opportunities for employment in the organization and its projects, he said:

"Employment classification in PETROMIN's various projects is compounded by the size and variety of activities in each project.

"The jobs have been prepared and classified on a scientific basis, and care is taken in their preparation to give the incumbent of each job the opportunity to advance to bigger, more responsible jobs, in accordance with his type of specialty. PETROMIN is looking for a large number of engineers specialized in mechanical, electrical and chemical engineering, along with industrial engineers. We also want managers, accountants, computer statisticians and biologists, all with university degrees. PETROMIN also welcomes graduates of secondary schools, and commercial and industrial secondary schools, so as to prepare them to assume similar technical and administrative tasks in the activities of the organization and its projects."

Regarding a question about the benefits that PETROMIN gives to its workers, the director general for training and manpower development said:

"PETROMIN, as a national organization whose goal is the growth and development of the oil industry by advanced international standards, gives its employees the best salary and working conditions. It assures them suitable housing, or grants a housing allowance, provides travel or grants a cash travel allowance, provides free medical treatment for employees and their families, and offers a training program in various fields of technical and administrative work, as well as affording the opportunity to attend forums and training programs in the kingdom and at international institutes and universities abroad. It also gives an excellent opportunity for individual success and job advancement. At PETROMIN, the average Saudi technician receives his education and training on the highest levels, since Saudization in the various PETROMIN projects has reached 90 percent."

PETROMIN stipulates to any of the international firms that share in the responsibility of managing any project that the project begins with a Saudi workforce of not less than 50 percent, increasing during the next few years to 80 percent. The latest decree issued by the organization's board of directors, chaired by Prof Ahmad Zaki Yamani, the minister of petroleum and mineral resources and chairman of PETROMIN's board of directors, was to the effect that 100 young Saudi secondary school certificate holders be trained annually in PETROMIN's Riyadh refinery center, which is the temporary location for PETROMIN's current al-Qasim refinery, built in al-Qasim to meet the increased demand for petroleum products in the central region of Saudi Arabia.

By that decree, we understand that an oil project may only begin after completion of high-level technical training for the Saudi workers.

7005

CSO: 4404/187

VILLAGE ELECTRIFICATION PROJECTS EXPANDED

Riyadh AL-RIYAD in Arabic 27 Nov 83 p 11

[Article: "During 1984, 2,000 Villages in the South Will Be Electrified"]

[Text] The chairman of the board of the Southern Province Electricity Company, Dr 'Abd-al-Rahman al-Zamil, signed a contract yesterday with one of the international specialized firms to expand the principal station for the electrification of the 'Asir Province, with a capacity of 150 megawatts, at a total cost of 215 million riyals for the station and the substation.

Dr 'Abd-al-Rahman al-Zamil told AL-RIYAD following the signing of the contract that the expansion had come about because of the huge increase in demand for electricity, which was a necessity. "On this occasion, I would like to thank the board members for the efforts that they have made during the past few years.

"I would like to announce to the brothers in the southern electrical concession area that in 1984, God willing, we shall have completed the electrification of about 2,000 villages and towns in the southern area."

He added: "Our program is continuous and active, and the areas that we have not yet reached are under study. The company is making serious efforts to develop services everywhere. The hope is that the citizen understands and will help to carry out the projects. The company cannot do all its work without the citizens' support and their understanding of their role. We, have asked them, during the coming stage, to rationalize consumption, because no matter what projects we do and no matter what our programs, we will not be able to follow through if there is consumption misuse."

He added: "The citizen must be aware that the electricity is his, and the area is his area, the town is his town. Any misuse of electrical energy consumption is ultimately at his own expense. The company will find itself compelled some day not to satisfy all the demands, if each citizen continues to neglect his responsibility. We hope to reduce usage except for that which is necessary. It is only a few months, God willing, before we will have the full capacity for the province. Cooperation from the citizen is very necessary. In my capacity as chairman of the board, I would like to say that if, God forbid, there were a shortfall in the province, I would not put the responsibility on the company, because I know what the board does and the efforts

made by the regional administrations. In this province, the citizen perceives the excellent results in terms of the services that reach him. During the years, the province has seen projects under construction, projects completed and projects under study. Therefore, I would hold the citizen responsible for any shortfall. The company will not overlook any abuse of electrical consumption in the province. That is for the subscribers' protection."

Concerning the company's future program, Dr 'Abd-al-Rahman al-Zamil said: "The company's projects are numerous. It has completed the al-Bahah and Bishah central projects, which will be turned over during the next few months. The 'Asir central project is on the point of completion, as well as the Jizan project. The fact is that if we look at these completed projects as a measure of the cost of the projects, we find that they amounted to 4 billion riyals. These are considered among the largest projects to be implemented, and they were in fact funded projects."

He added that there were projects under study, including the steam plant in Jizan. This is a very large plant, which will be the principal artery for the electrical system in the southern region, and is connected through distribution lines to all areas. The company has drawn up a 10-year plan and program, which is progressing as planned.

"We are convinced that we are ahead of the 10-year plan in implementing several of these projects."

"The fact is that in all the areas embraced by the company's concession, there are contractors in 'Asir, Najran, Jizan and al-Bahah, and the number of new subscribers that have been added to the old subscribers total 120,000.

"The southern region, may God be praised, has begun to receive the services it merits. Considerable efforts have been made, and there are still districts that have not been electrified. However, we promise the citizens in these areas that all of their districts have been taken into consideration. They are under study, and perhaps they have noticed that through the tours of visitors and consultants. The company has comprehensive plans that cover the entire province.

"I want to conclude my talk by stressing that I want every citizen to understand that we cannot electrify each town and village and agricultural settlement in one day or one night. The company has priorities but, God willing, we shall achieve what we aspire to."

7005

CSO: 4404/187



HEALTH SERVICES IN EASTERN REGION INCREASED

Riyadh AL-RIYAD in Arabic 14 Dec 83 p 2

[Article by Mansur al-'Adwan: "Extreme Interest in Developing Health Services in the Eastern Province"]

[Text] Dr Sami Muhammad al-Qasir, director general of health services in the Eastern Province, talked with AL-RIYAD on the occasion of the opening of three health centers in Anta', al-Sihaf and al-Qulayyib, in the Wadi al-Miyah in the Eastern Province. He said that the bringing of comprehensive health care services, whether preventive or treatment, to all citizens was and still is one of the highest goals for which his majesty's government was striving, along with the crown prince and the minister of health, Dr Ghazi al-Qusaybi.

Dr al-Qasir said that there were many, diverse projects which the province has obtained and which will be opened soon. Some of them are in the competitive bidding stage, such as the 574-bed hospital in the al-Markibat section of al-Dammam, the al-Khafji General Hospital, with a 100-bed capacity, and the conversion of the Safawi Health Institute into a modern hospital, along with other health centers and projects.

The province's director of health affairs added that throughout the vast expanse of the Eastern Province, a network of health services has been extended, covering most parts of the region. There are future health projects that will constitute a completion of this network. Thirty health centers have been distributed in the past few weeks, and they will be opened one by one. There is a working team composed of young Saudi men, trained in medicine, administration and as technicians, working enthusiastically and with great pleasure, to prepare these centers and to put them in the service of our citizens in the near future, God willing.

Today, three technically-advanced health centers will be opened, built by modern means, and in which care was taken to comply with integrated medical requirements. These three centers are located in the Wadi al-'Ajman in al-Qulayyib, Anta' and al-Sihaf. These centers contain a first aid room, equipped with all the equipment required for emergency first aid treatment and simple surgery. There is also a complete maternity room, in which midwives are on call 24 hours a day to sterilize the equipment and dressings, a laboratory equipped to make important and ordinary analyses and an x-ray department.

T

There is also a 3-bed observation room for men, and a similar one for women, a special room for inoculations against infectious diseases, and a dental clinic fully equipped for the treatment of teeth, along with special x-ray equipment. In addition, there is the office, a waiting room for men and women, as well as a health records department, equipped with health card processors to record the health records for each bed. Each center has a generator to provide electricity in the event the public current is disrupted. These centers are also supplied with an internal and external telephone network to facilitate operations in the center and contact with the authorities concerned. The centers have temporary housing units that are completely furnished for families and nurses. There are two rooms for guards and two for ambulance drivers, since these centers have ambulances to transport emergency cases to the closest hospital. Care was taken with these centers to make them expandable in the future, if the need for that should arise.

During the next few weeks, with God's help, three similar centers will be opened, one in al-Zahran in the new area, al-Qudayh in the al-Qatif area and al-Salahiyah in the al-Ahsa' area. There will also be a health center at Marker 37 in the al-Dammam area. Moreover, there are also specialized units, such as an anti-smoking clinic in south Dammam, a vision evaluation unit and a sickle cell anemia center in the al-Qatif area, and an anti-obesity clinic in the al-Ahsa' area.

#### Hafr al-Batin Hospital Nearly Completed

There is also the Hafr al-Batin Hospital, which is nearly completed, and will be handed over and operation begun in the near future. Work is also underway to expand the mental health hospital in al-Hufuf, and to convert the health center into a maternity center in al-Khafji. The old health institute in Safawi will be converted into a 100-bed hospital. As for the projects on which work is underway and which will be completed within the next 10 to 18 months, they include the al-Zahran General Hospital, with a 247 bed capacity, the 354 bed al-Qatif General Hospital, and the al-Jubayl General Hospital with a capacity of 200 beds.

#### The 574 Bed Gulf Hospital

As regards projects that the highest authorities have approved, they include the 574 bed Gulf Hospital in the al-Marikbat area in al-Dammam, the al-Khafji General Hospital, with a capacity of 100 beds, and the al-Nu'ayriyah Hospital with 30 beds.

Work is also currently underway to modernize and expand the existing hospitals and health centers, in terms of skills at all the technical levels. In this regard, more than 600 persons have been recruited, including specialized doctors from Germany and Britain, as well as general practitioners from India and Egypt and nurses and technical assistants from India and the Philippines. Moreover, they are being equipped with modern medical equipment. For example, bidding has been opened on a layered x-ray machine (C. T. Scanner) for the hospital in central al-Dammam, in addition to several pieces of equipment pertaining to brain and neuro-surgery and urinary tract surgery, as well as diagnostic equipment for heart and kidney diseases.

## SYRIA, AFESD CONCLUDE HIGHWAY LOAN

Kuwait ARAB TIMES in English 8 Jan 84 p 12

[Text]

THE Syrian Minister of State for Planning, Kamal Sharaf yesterday signed in Kuwait a loan agreement with the Arab Fund for Economic and Social Development under which Syria will get a loan of nine million dinars (nearly 30.7 million dollars) to finance construction of a highway from Damascus to the Jordanian borders.

**Trade**

A press release issued in Kuwait yesterday by the fund said that the project aims at providing a dependable modern highway (autostrad) which can cater for an expanding transportation service over the next 30 years between Damascus and the Jordanian border. The project is also hoped to ease heavy traffic on present roads and in effect reduce road accidents.

The new Damascus-Alsanmain highway will also serve the southern part of Syria

which is rich in agricultural and touristic potentials besides connecting it with other regions of the country. The release indicated that improvement of the Syria-Jordan communications network will eventually facilitate the flow of transit trade to states in the Arab Gulf region.

Chairman and director-general of the Arab Fund, Dr Mohamed Imadi initialled the loan agreement, which said the highway will be a key link in the Arab road network and an essential part of the Amman-Damascus-Beirut autostrad.

**Expenses**

The Arab Fund has granted Jordan earlier last year a loan of four million dinars (some 13.6 million dollars) to cover part of the expenses for constructing the Zarghaa-Mufareq road which links up to the Syrian border and is part of the projected highway.

The release stated that the

104-kilometer highway from Damascus to the Jordanian border is estimated at an overall cost of 37 million dinars (about 126.2 million dollars) including bridges, crosspoints and necessary diversions and is expected to be completed in 1988.

**Contribution**

The loan, offered at an annual interest rate of six percent and repayable over 20 years including a grace period of five years, brings total contribution of the Arab Fund to Syrian development projects to some 48 million dinars (about 163.7 million dollars).

Meanwhile, Kamal Sharaf conferred with the managing director of Kuwait Fund for Arab Economic Development, Faisal Al Khaled.

The two sides discussed means of strengthening cooperation between Syria and Kuwait in the field of development.

CSO: 4400/144

## FARM COOPERATIVES REPORT ON ACTIVITIES

Report by Collective's Secretary

Damascus AL-BA'TH in Arabic 25 Oct 83 p 6

[Article by Ibrahim Daghir: "Cooperative Activity in the Region of Safita Lies Between the Current Situation and Aspirations for the Future"]

[Text] The farmers' league at Safita was founded in 1964. It proceeded to found one association after another. This year, there were 64 cooperative farmer associations in all, with various purposes. The members of 10 associations benefit from the agricultural reform law. The number of members in the region's cooperative associations is 8,082. The capital paid in by these members amounts to 18,800 Syrian pounds. The total area of the region is 34,735 hectares.

At the headquarters of the league, with the comrade secretary of the league, Engineer 'Adnan 'Abid, and a number of agricultural inspectors in attendance, we learned the following about the situation of cooperative activity in this region.

The league office itself is divided into four other offices: the production office, the organization office, the finance office and the administrative office. The number of members in each office is five. Three of them are full staff, while two are not. The number of individuals working at the league is 43. They include agricultural engineers, inspectors, accountants and administrators. There are 10 agricultural engineers, as well as 17 agricultural inspectors who are distributed among the agricultural guidance units and cooperatives in the region.

The league has a center for selling agricultural treatments. A female agricultural engineer who is the director of the center works there. There is also an agricultural inspector who is the secretary of the warehouse, which was set up about 3 years ago. It consists merely of a single room, which serves both as a warehouse and a sales area. The agricultural medicines are provided by a branch of the Agricultural Bank in Tartus via the Safita branch. The medicines are shipped in coordination with the Safita bureau of agriculture, usually by the bureau's car.

In a short period of time, the center has been able to provide the brother farmers with great services. It has also been able to assure good profits for the league. Sales during the last 9 months of this year were worth 271,882 Syrian pounds.

There are six cooperatives which have legal title to individual consumer stores. The league is working to make these stores a success, because of the services they offer to the brother farmers in their field of work. They determine the prices of all consumer goods and curb the greed and monopolistic tendencies of merchants. In addition, the cooperatives own a number of tractors. Two of them are of the (Sumika) model. These two tractors became the main concern of both the league and the federation, after coordination was worked out with the office of rural engineering in the federation and the General Federation was informed of the report by the committee formed to study their situation. The committee decided to sell them, after subscribing for one tractor for each cooperative. By now a whole year has passed, but agreement has not been obtained and the tractors are out of service, exposed to the weather, and under the supervision of the president of the cooperative. Some cooperatives in the league's work sector also own as legal personalities some gas licenses. The oldest of these licenses is no more than a year and a half old. The idea the league had when it gave gas licenses to the cooperatives was to make it easier for the farmers to find this substance and to free them from the control of the private sector.

These licenses achieved their goal. We are calling on the responsible agencies to support the farmers' cooperatives by granting them numerous licenses of this kind. In addition, some associations own farming land in their own legal names. Among this land is the land owned by the cooperative association in the village of al-Tali'i. It amounts to 66 dunams. Then there is the land owned by the association in the village of Tall Turmus, consisting of 33 dunams. A plan has been drawn up to plant it with olive seedlings this season. A technical and economic study of the two projects has been submitted to the executive office of the provincial federation. We hope that the General Federation will give material support to these two projects, in accordance with the study which has been submitted.

#### Cooperative Marketing

The league takes part in cooperative marketing operations of various types by having a representative on every marketing committee. Thus, silk cocoons have been marketed. The quantity marketed amounted to 7,446.700 kilograms. The cocoons were shipped daily to the silk factory at al-Duraykish. The league also took part in the apple marketing committees in 1983. The marketing process in the region lasted for about a month and a half, and 2,500 tons were marketed.

#### The Agricultural Crops in the Region

The list of agricultural crops in the region of Safita is headed by olive trees, citrus fruits and apples. The area planted with olive trees amounts to 193,572 dunams for the cooperative sector. The number of fruit-bearing trees is 1,748,396.

The area planted with citrus trees is 3,787 dunams, with irrigation, for the cooperative sector. The number of fruit-bearing trees is 88,303.

The other crops consist of various types of grain, vegetable and peanuts. However, from what we said above, we recognize that the Safita region is distinguished by the large predominance of olive trees on its unirrigated lands. These trees are the source of income for the majority of the region's farmers, although they suffer greatly because of the inability of the farmers to undertake the service operations they need, in comparison with the other kinds of fruit-bearing trees, like citrus and apple trees. This is because olive trees are generally planted in mountainous locations lacking in agricultural access roads for the farmers and their equipment. One can say that agricultural roads are almost nonexistent in comparison with the area of the mountainous region. If they were built in the right way, according to a programmed plan in which the cooperative associations and the party teams cooperated and the league and the party branch took care of coordinating things, we would be able to raise the productivity of the olive trees in a clear fashion. To illustrate the importance of these trees and the size of the economic return they provide, it suffices to take a quick look at the number of modern and ancient presses in the region. Then the trees' importance emerges. Of course, there is currently no press for the cooperative or public sector in the region.

However, this year the Arab Federation in Tartus constructed a modern press, after one of the associations gave up a piece of its own land for it. The construction of the press is continuing. The farmers' federation of Tartus is following and monitoring the execution of the project. We hope that work on it will be completed very soon.

#### The League's Plan for This Year

The comrade president of the farmers' league said that the league was drawing up a regular working plan by means of its offices in order to monitor the activities of the associations. Each office is taking care of its special area. The league wants to fulfill 100 percent of its plan. It wants to maintain close contact with the competent agencies in order to execute these plans and coordinate its activities with the branch of the Cooperative Agricultural Bank in Mafita, thereby implementing the plan to provide all kinds of loans to the farmers' associations. The following is a list of the loans granted from the beginning of 1983 until September of the same year:

First: in the area of short-term loans

1. Seasonal, cash loans for servicing fruit trees amounted to 1,302,143 Syrian pounds.
2. Typical seasonal fertilizer loans amounted to 621,434 Syrian pounds.
3. Loans to service poultry and raise chicks amounted to 133,000 Syrian pounds.

Second: in the area of medium-term loans

1. Land reclamation loans amounted to 2,512,000 Syrian pounds.
2. Irrigation pump and project loans amounted to 136,000 pounds.
3. Loans for agricultural tractors amounted to 188,000 pounds.
4. Loans for imported cattle amounted to 18,200 pounds.
5. Loans for mechanical field sprinklers amounted to 22,600 pounds.

Third: long-term loans

1. Loans for planting olive trees amounted to 86,400 pounds.
2. Loans for planting citrus trees amounted to 6,800 pounds.
3. Loans for planting apple trees amounted to 84,800 pounds. The farmers are currently about to begin a new agricultural season. The league and all of its offices are sending technical comrades--engineers and inspectors--to help the farmers carry out the plans of their cooperatives and to speed up the completion of all the activities of the accountants, thereby freeing them to work during the new season. In this way, the league office is preparing itself completely to receive and process all the transactions referred to it by the associations, especially with regard to the receipt of fertilizer and seasonal loans, land reclamation, tree planting, etc.

The difficulties are:

1. Most of the farmers suffer from the lack of agricultural roads, which has a negative impact on production.
2. The brother farmers suffer from a failure to reclaim their land and from their own inability to obtain reclamation loans for them, because these lands have benefitted once from the loans of the Agricultural Bank, which are insufficient.
3. Agricultural tractors suitable for the cultivation of hilly land are not available. Rather, old fashioned plows are still being used on such land.
4. Agricultural treatments are not available in small packages. Most farmers would find them useful, since their holdings are small and widely scattered. Moreover, some insecticides are not available when the right times comes to spray them.
5. The league office suffers from the small number of accountants. There are 6 accountants working at the office. One of them works as the head of the league's accounts division. The others work as accountants for the 64 cooperatives and 6 consumer stores.

6. There is no technical specialist with a certificate in the commercial sciences or a degree from a commercial institute.

Suggestions:

--It is necessary to draw up a regular, scientific plan for building agricultural roads in the region.

--The farmers must again be granted medium-term loans for reclaiming the lands on which they took out reclamation loans more than 10 years ago, since the region is mountainous and gets more than 800 millimeters a year of rainfall. This causes the agricultural soil to erode and destroys and ruins artificial channels.

--It is necessary to speed up delivery to the farmers of the 30 to 45 horsepower tractors for which they have subscribed. The farmers must be given a new chance to subscribe.

--Agricultural treatments must be provided in small containers consistent with the holding size of most farmers in the region.

--The importation of agricultural treatments ought to be limited to the public sector. They should be traded in the markets only after being stamped with the seal of the agency responsible for their distribution.

--It is necessary to apply the decision to restrict apples to olives as well, especially in good years, so as to help the farmers dispose of their crop at an acceptable price and free them from the clutches of the oil traders.

--A technical accountant with an advanced degree in commerce and three accountants must be found to take good care of the bookkeeping, for the amount of work is more than the staff of six accountants can handle.

--Instructions were issued in one of Syria's daily newspapers in 1980 calling for the accountants to be included for the purpose of collecting their salaries. They were to be considered employees paid at the expense of the Ministry of Agriculture and representatives of the farmers' federation. Until now, no measures have been taken in this regard. Of course, the financial situation of the cooperative associations does not permit them to appoint the accountants to their payroll. This helps to harm the accountants' living standard and professional situation.

--Those who work in the consumer stores, which we mentioned above, are producing profits. Therefore, they must be confirmed in their jobs and granted family compensation, in view of the great efforts they are making and the way in which they have realized good profits for these projects.

--The technical specialists--both agricultural engineers and inspectors--deserve appropriate compensation for the work they do in the villages and cooperative associations. Of course, they are given only 3 months of



compensation for travel a year. This is not commensurate with the expenses they incur.

#### Statement by Dayr al-Zawr Union Leader

Damascus AL-BA'TH in Arabic 7 Nov 83 p 6

[Article by 'Abd-al-Karim Sa'd: "Under the Ba'th Revolution, the Proper Climate Has Been Provided for Undertaking an Advanced Agricultural Renaissance"]

[Excerpts] Before our party's revolution arose in this region, the province of Dayr al-Zawr was in a state of backwardness and stagnation. Words like agriculture, crop, agricultural mechanization and production were omitted from the dictionary of the life of the farmers.

When the Ba'th revolution came, it began to send out its rays in all possible ways. It did everything in its power to increase the political, agricultural and social consciousness of our peasant brothers. It tried to tie them to the ground and provided them with all the elements of strength needed to make them useful members of the society of progress and socialism.

With these words, Comrade Sulayman al-Ghayban, the president of the farmers' federation at Dayr al-Zawr, began his remarks. He continued, saying: "Under our great renaissance, the farmers' organization has arisen, flourished, and began to plot out a course, while drawing around itself the peasant masses and providing them with material and spiritual support, so that the peasants will rise and liberate themselves from all the chains which have separated them from the land."

#### We Are Working to Overcome the Difficulties

Concerning the agricultural development plan, Comrade Sulayman had this to say: "With regard to the plan, we are reviewing our calculations, so that we will be able to overcome all difficulties. In the last few days, we have gone over the production plan. Marketing for the winter and summer seasons has been completed. In the province of Dayr al-Zawr, the plan is being fulfilled 105 percent. This will definitely be reflected in increased output, especially in the cotton harvest. As for the investment plan, there are storehouses and projects to buy agricultural motors. We can say that the various levels of the organization have worked hard to carry out the plans successfully and as required, by providing everything necessary to make the plan a success.

#### With Regard to Yellow Corn, the Aim Is Good

With respect to the yellow corn crop, Comrade al-Ghayban said: "We set up 16 committees to study and survey the land planted with yellow corn. They concluded that 54,853 dunams had actually been planted. Most of this was planted for livestock purposes. After the visit made by the members of the ministerial committee on 5 August 1983, the use of this crop for livestock purposes was forbidden. We asked the brother farmers to market their output. Estimated

output was 1,358 tons. We in the farmers' organization are not satisfied with this figure. However, the fault lies with the fact that the land was planted for livestock purposes, not for marketing. Of course, the General Federation of Farmers, the leaders of the party branch and the comrade governor have recently issued instructions for the crop to be marketed. As farmers, we have honored these instructions. The farmers' marketing operations are now serious and underway with good intentions. We are suffering from some obstacles with some corporations, such as the Fodder Corporation. However, the decisions taken by the branch agricultural council have harnessed all needs and sufficient reserves to overcome these obstacles.

We have earmarked 133,000 dunams for next year. People are psychologically ready and completely prepared to implement this area.

#### The Desert and Encroachments

With regard to the desert and the agricultural encroachments on it, the comrade federation president had this to say: "No encroachments have been made on the desert. There are no areas in Dayr al-Zawr which have been encroached on. This is no secret. All the officials at the leadership level know about it. But what we are constantly worried about is the receding of the Euphrates River. It causes us a lot of trouble. We work with the river on a daily basis. Anyone who observes the river sees that its water level falls for 2 days and then rises for 2 days. While the river is receding, we move the motors. When the level rises, we are forced to put them in new locations again. In order to solve this crisis, we think all electric power transformers should be moved. In addition, [bawakir] should be provided in order to dig irrigation ditches and get water to the motors.

Among the most important obstacles facing us in the countryside is salination of the land. We would like more services in this area. The companies working in this area are slow. Of course, the last central committee meeting devoted great attention to this topic. If this shows anything, it shows that the leadership is serious about developing the countryside and overcoming the obstacles which obstruct work here. There is another problem which must be addressed. It is the problem of marketing agricultural crops. I believe that the state can solve it, especially if it acquires the crop at the site of work and production. This would decrease loss and the financial fraud to which our farmers are exposed. In addition, it would provide a lot of time for marketing operations.

12224

CSO: 4404/202

## BRIEFS

IDLIB FODDER SUPPLY--Mr Muhammad Juwayd, the director of the Idlib branch of the General Fodder Organization, confirmed that various kinds of fodder are available in large quantities in the branch's storehouses. He added that by the end of last September the organization had sold 1,250 tons of cotton seed cake, 8,125 tons of refuse, 825 tons of white poultry feed, 1,100 tons of chick feed, 450 tons of cattle feed, 4,500 tons of soy bean cake, 2,800 tons of barley, 10,300 tons of yellow corn, 800 tons of cotton husks, and 3,000 tons of beet bagasse. From the beginning of this year until the end of September, the branch sold 30,084 tons of various kinds of fodder. The branch director confirmed that despite the great efforts which were exerted to meet the needs of poultry and livestock producers, the branch was not able to reach the required level because of a lack of equipment. The branch has only three machines, which are incapable of handling heavy loads. [Text]  
[Damascus TISHRIN in Arabic 18 Oct 83 p 2]

12224

CSO: 4404/202

## CURRENT DEVELOPMENT PLAN SURVEYED

Kabul KABUL NEW TIMES in English 10 Jan 84 p 2

[Text]

The socio-economic development plan of the current year has been prepared on the basis of assessment made of the economic condition of the country and in the light of the resolutions of the 12th plenum of the Central Committee of the PDPA related to the sphere of economy for ensurance of balanced and harmonised economic and national production growth of the nation. The timely implementation of the objectives of the first six months plan of the current year is a good example for the revolutionary state's tireless efforts in this direction.

The majority of institutions responsible for implementing the plan targets have gained successes comparing the corresponding period of the past year. However, in some spheres, due to the continuation of undeclared imperialist war against our country, because of limited possibility of work, lack of experienced technical personnel, shortage of raw materials, and in

some instances, due to lack of attention of in-charges of institutions, the objectives of the plan could not fully materialise.

The results of the implementation of the socio-economic plan in the different sectors of national economy are assessed as such:

The results of the autumn sowing campaign of last year and that of the spring of this year indicate that the overall agricultural production of the country especially vegetables, was quite satisfactory. It shows a growth rate of 0.8 percent more than the anticipated plan.

The sixty percent increase made in the purchase price of raw cotton has positively affected production of this important crop by 38 percent than the corresponding period of the last year.

During the first six months of the current year, more efforts were made in the development and growth of cooperatives movement in the count-

ry. As part of these efforts, 29 new cooperatives were established and 11 inactive cooperatives were reactivated showing 16 percent increase as envisaged in the plan. Also, through cooperatives, as much as Afs. 39 million were given as credit to the members of cooperatives, 22 tons of surplus produce of the cooperative members have been sold in the internal and foreign markets, showing 83 percent increase as originally envisaged in the plan for the period.

Irrigation which is an important factor in boosting agriculture production has undergone impressive head way. For organising irrigation and renovation of irrigation systems in provinces useful steps were adopted. Work in this sphere grows steadily. In the first six months of this year 1.95 million cubic metres water has been recorded.

In the sphere of mines and industries which provides for over 20 percent of national products, useful steps were taken. Because of its special importance in accelerating the process of socio-economic development much attention was given for the growth of this sector.

During the current year additional funds were appropriated for this sector than other socio-economic sectors. The output of this sector in the first six months of this year on the

basis of prices of 1357, reaches Afs. 39 milliard which altogether indicate 11.6 percent rise as originally estimated in the plan and 32.6 percent more than the corresponding period last year.

In the same period of current year a total of 473 million kilowatt hours of electricity was produced. In the sphere of transport, the motor transport plan in the state and private sectors were materialised more than by 8.3 percent. In implementing of this plan 1413.9 thousand tons goods were transported. Of this, 553.5 thousand tons were transported by the state sector and 860.4 thousand tons by the private sector. In the air transport, transport of goods were 8177.7 thousand tons km or 143 percent more than the anticipated plan target. Implementing of the plan in foreign routes indicated 247.7% rise and in the internal routes 96.6 percent. The activities of Ariana Afghan Airlines in comparison to last year show decrease of 11 percent and that of Bakhtar Airlines an increase of 5.1 percent respectively.

In the sphere of communication services, in the aforesaid period, an income of Afs 167 million was anticipated while an income of Afs 178.1 million was obtained showing an increase of 12.5 percent in comparison to the same period last year.

In accordance with the devised plan over 20 wireless telephone systems were installed and made functional in the provinces which show materialisation of the plan in this sphere by 100 percent.

In the sphere of internal trade, the trade turnout in the state sector and private sector in the course of the current year was anticipated equivalent to Afs 13.52 milliard which during the first six months of this year has grown to Afs. 6.63 milliard or 98 percent of the plan for the first six months of the current year.

In the sphere of external trade in the same period 32.6 million dollars worth of export and 301.8 million dollars worth of import have been materialised. As a result of which trade balance has been recorded by a positive 19.8 million dollars.

The evaluation of trade sector of the country shows that despite the existing difficulties, internal

and external turnout has been positive. It depends on the efforts of the related organs dealing with foreign trade of the country to prepare the ground for 100 percent materialisation of the plan in this sector.

The brief assessment of the different sectors of the national economy of the nation indicates that despite the fact that an undeclared war has been launched by the imperialists against our country and despite the destructions committed by the counterrevolutionaries, noticeable successes have been recorded. But these successes cannot fulfill the requirements of our society, therefore it is our undelayable duty so that with untiring and patriotic efforts under the light of the guidance of Program of Action of the PDPA and the resolutions of the 11th plenum of the PDPA CC remove the shortcomings in our work and gain further successes for the benefit of national economy of the country.

CSO: 4600/310

## FIGHT AGAINST ILLITERACY A PRIMARY TASK

Kabul KABUL NEW TIMES in English 11 Jan 84 p 4

[Text]

With the triumph of the national and democratic April revolution particularly its new and evolutionary phase significant transformations have been brought about in all spheres of the life of our working people. In particular, serious attention has been paid towards the eradication of illiteracy which has been emphasised in the decree no 28 of the Revolutionary Council of the DRA. This task is considered one of the most important issue of the present phase of the revolution.

Stating this, Karima Ghafoor a teacher of the literacy course of the Finance Ministry in an interview with the correspondent of the Kabul New Times added: perceiving the progressive educational policy of the revolutionary state, the literacy department of the Ministry of Education of the DRA has undertaken all sided measures for the realisation and popularisation of nationwide literacy campaign in the country.

She further added, although the so-called literacy issue was existing in its demagogic form in our

country before the victory of the glorious April Revolution but after the triumphant of the revolution particularly its new and evolutionary phase the PDPA and the DRA government attached great importance to this significant and fruitful task and measures have been adopted for the total eradication of illiteracy in spite of the plots and conspiracies waged by the enemies of the revolution in this sphere.

In accordance with this spirit it is the duty of every conscious countrymen to realise his historical mission for the fulfilment of this noble task in the country.

While continuing her elaboration Karima added, in a period of five years that I serve as a literacy teacher in this ministry most of my students are consisted of aged people. I have already taught literacy to a number of 195 noble and working compatriots who were deprived of literacy under the rotten feudal regimes of the past. By now these compatriots

of ours are fortunately in a position to perceive the lofty aims of the glorious April revolution.

I have always launched efforts on one hand to upgrade the political consciousness of my students and on the other to make them aware of the inhumane deeds of the counter-revolution and the poisonous propaganda of the enemies of the homeland.

Being very much friendly with my students I always try to use teaching plan and employ my experiences gained during five years of my employment. I also make use of the teaching methods which I have learnt from the professional members of the literacy campaign department.

One of the other teaching methods that I apply while teaching the aged people is that I always discuss their problems in order to be aware of their life difficulties.

The party primary organisation and the trade union branch of the Finance Ministry help us in providing teaching materials and other necessary equipment, she recalled.

CSO: 4600/310



COMMENTARY ATTACKS FORMER RULER ZAHIR SHAH

Kabul KABUL NEW TIMES in English 7 Jan 84 p 2

[Commentary] "Mad Fantasies of Zahir Shah"]

[Text] KABUL, (Bakhtar)--A political commentator of BIA writes:

On the beautiful coasts of Syracuse in Sicily there are a number of deposed but wealthy kings having a good time and rolling in luxury. Among them, is the deposed king of Afghanistan called Mohammad Zahir Shah. Of all those living in Syracuse he is the most favourite one of the imperialist quarters.

Recently when all mass media of imperialism were campaigning against the DRA, the deposed King of Afghanistan also had a sigh of grief while recalling the good old of his royal campaigns at Paghman pass and Darai 'Shakari and army of slaves and servants who served on "his majesty" and broadcast on radios of West a "message" to the people of Afghanistan.

The statement of Zahir Shah clearly indicated his dismay at the fact that a nation had become the master of his own destiny.

He can not reckon with the fact that the turbulence of revolution has washed away all the roofs of the medieval feudal monarchy and the power has gone to those very bands who in the period of his rule ploughed the land or turned the wheel of the industry or were languishing in king's dungeons.

Mohammad Zahir does not wish to know that our beloved country to which he does not belong at all has considerably transformed. He still dreams of his lost crown and demagogically dubs his dreams as being some concern about the people of Afghanistan. Our emancipated people have to ask from Zahir "how come that you who never thought for 45 years about the people of Afghanistan are now worried about them" If you come to grips with the Afghan people you will find out what it entails, really. This nation for which you shed crocodile tears will wrest from you what you had plundered. It was during your reign that the people in Cheghcheran ate grass because of starvation. What in any case did you, your father and your cousin did for the people in the half century long rule of theirs? What did you leave behind except a ruined country, and starving people who were poor, illiterate and sick as well. Your reign was full of treason, corruption, despotism, and nepotism. During the half a century of

rule in a Afghanistan, according to UN statistics, the per capita income of the Afghan people did not exceed 50 dollars. The precious historical relics and precious stones fell in the hands of the royal family. The economic growth rate rose by only 0.2 per cent in every ten years. Unemployment especially invisible unemployment in rural areas reached to the extent that millions of people went to foreign countries for finding jobs. A handful of traitor and bureaucrats oppressed the Afghan people.

The deposed king of Afghanistan talks of Islam and appreciates the United States for the assistance rendered to him so-called "Jehad" or "holy war" If someone goes into the real history of this fellow's so-called love for Islam, it will be cleared that it is indeed a history of deIslamization, encouraging prostitution, corruption and all other vices. The number of mosques built during the 5 years of the revolution is about double of the number built during the 50 years reign of Nadir dynasty. Today the religious scholars and patriotic clergymen have their own councils and organizations and enjoy full material and cultural privileges.

Zahir ruled through provoking conflicts between the tribes and nationalities, while today, all the tribes and nationalities of the country enjoy equal rights and live as brothers.

It is clear for every simple person to know it at once that the ill-fated King want to test his fate again.

It is not accidental. The imperialist forces are seeking a way out of the dead end in which the April Revolution has put them, a revolution which is defending itself with the might of millions of Afghan working people. The imperialists and the reactionaries have now relied on the most ferocious enemy of our people at whose hands almost everybody in the country suffered great amount of repression and brutality. This is why the media of his masters project his moanings as being of the same nature as Milik Idriss, Fareh Diba or the descendants of Haile Sellasie.

Mohammad Zaher and the gangsters surrounding him whose muzzles and performances are controlled by Washington and London, know very well that the time for another ride on their god given horse which they used to call our beloved nation, has ended forever. The nonchalant efforts and despondency of the Reagans and Thatchers, in their abortive wishes to undermine April Revolution are very well reflected by pushing Mohammad Zaher who is nothing but an ugly nonentity.

CSO: 4600/309

SHABARGHAN REPORTEDLY TURNING INTO INDUSTRIAL CENTER

Kabul KABUL NEW TIMES in English 4 Jan 84 p 1

[Text]

Sheberghan, the centre of Jauzjan province, one of cradles of the working class movement is changing and developing to a dynamic city where the economic work is successfully forging ahead.

Since long, the security has been ensured in the city and districts of Sheberghan which has furnished the ground for the economic development and the implementation of basic social, economic transformations in the interest of the work-

ers and other toilers. The party organizations regularly supervise the work and activities of the productive plants and their productive development process and render necessary assistances for the implementation of the work plan of concerned institutions and upgrading their level of production. More than 3,000 workers are busy in the exploitation and transferring of gas institution and extraction of petroleum and gas project in Sheberghan.

The extraction of petroleum and gas department of Sheberghan is carrying its activities in the field of the discovery of new areas of petroleum and gas deposits. At present, more than 700 workers of this department are working in various fields of drilling, montage, sinking of wells and ensurance of security in the areas of their concerned activities. The workers of this department in the current year have done 27,000 m drilling work which accounts for the accomplishment of their work for third quarter of 1984.

The activities of this department are comprised of extraction, refinery and transfer of gas through gas pipelines to the factories of fertilizer and power plants of Mazare Sharif, Balkh textile and export of gas to the Soviet Union. Recently, the department of extraction and transfer of gas and

petroleum has completed the extension work of gas pipelines in Sheberghan city which has furnished the grounds for the distribution of gas for a portion of Sheberghan.

In the sphere of agriculture, Sheberghan in particular and Jauzjan province as a whole have achieved significant success.

The program of the implementation of land reforms is successfully forging ahead. The operational groups of the Ministry of Agriculture and Land Reforms are carrying out their activities in the counties and related districts of Sheberghan. By now, they distributed 490 land ownership documents to the landless and petty land holders. The number of 400 land ownership documents are ready for distribution to the peasants. A considerable number of the peasants of Jauzjan province are mobilised in a number of 20 agricultural and livestock cooperatives. Making use of these cooperatives the peasants are provided with long and short term loans as well as improved seeds, chemical fertilisers, insecticides and pesticides, tractors and other agricultural machines and equipment.

The professional employees of the Ministry of Agriculture and Land Reforms are in close contact with peasants of Jauzjan province to upgrade the level of their agricultural yields and improvement of their living standard. They have rendered necessary assistance in this regard. A organised political work with peasants has alst been carried out in Jauzjan province.

The objective conditions for the acceptance of mechanised agriculture system is existing among the peasants and people of that province and they themselves have requested for the mechanisation of agriculture and extension of cooperatives. After the second phase of the democratic land reforms other 59 landless peasants have received land and are mobilised in the cooperatives. During the current year the land possessed by cooperatives reached 3,000 hectares of first grade land and the peasants were quite satisfied with their harvests. The state authorities of the DRA has distributed 2170 hectares of surplus deserted lands to the cooperatives of Jauzjan profince for collective cultivation. The surplus production of the peasants are purchased by

the cooperatives to supply public needs and they are transported to the food procurement department. Likewise the agricultural mechanised station of Jauzjan province which is equiped with 41 tractors, 18 combines, lorry vehicles, seeds cleaning machines, mobile and stationed workshops are at the dispsal of the peasants in that province.

There are three state farms in Jauzjan province a portion of which is cultivated by the peasants of the farms. The harvest of these farms are distributed at no cost to the families of the marty-

rs. The shortage of power energy and water constitute the main problem of Sheberghan people. The long term plans to be implemented in the future in Sheberghan city is constituting the extension of thermo-power production plans, establishment of cruding conensate, extention of cooperatives, management of water, construction of Shash Darak dam on Safid river, the efficient exploitation of petroleum deposit of Sare Pul, Angot, Aqu Darya and Qashqari, extension of revolutionary defence groups in the counties and districts, extension of practical assistances to the people.

The strengtheiring of state power in the remote areas of this province is considered one of the most important task of party state incharges. The working concentration is transferring from the cities to the villages and districts of the province.

## NEGLECTED SCHOOLS TO RECEIVE ATTENTION

Kabul KABUL NEW TIMES in English 4 Jan 84 p 2

[Text]

The April Revolution set to itself the task carrying out fundamental changes in educational system and ensuring comprehensive development of science and culture in general.

This was stated by the principal of Alauddin Experimental School in an interview with a reporter of the Kabul New Times.

He added: "While the enemies of the party, the revolution and people headed by the US imperialism continue, an undeclared war against our revolutionary country, burn schools, kill our innocent children, destroy bridges, mosques and resort to hundreds of other destructive deeds, we have chosen our path for ever under the leadership of the People's Democratic Party of Afghanistan. And there is no power in the world which could cover with their black and dirty hands the luminous sun on our prideful and ancient country Afghanistan."

"The government would build with the help of the working people hundreds of better equipped and new schools in place of every school destroyed by counter-revolution. We would create hundreds and thousands of cultural centres and recreational centres for our compatriots. In place of every martyred teacher would come hundreds of educated boys and girls of Afghanistan to become teachers. This causes the hatred of the enemies of our people.

The principal went on to say: "We will be victorious, because we have iron will to make efforts for building a new and revolutionary society in our homeland.

"The enemies of our revolution want to deceive the families of the workers, peasants, intellectuals and other working people of our homeland and want to push them the quagmire poverty, misery and to a final annihilation. But, they will never succeed, because our party and revolutionary government

endeavour persistently to make our compatriots happy, prosperous, tranquil, powerful and secure.

Answering another question, the principal said: "Twenty four years have elapsed from the establishment of Alauddin school. However, during these consecutive years, no attention has been paid to the repair of the school.

The walls of classrooms were destroyed totally and there were no doors and windows in classrooms.

But, after the victory of the revolution, along with other schools of Kabul city, attention was paid to our school as well. On the initiative of Kabul city party committee and Ministry of Education, the repair work of 32 classrooms of the school and building of six new concrete classrooms at the cost of 1.6 million Afghani has been completed by the Khurshid construction unit.

Work of concrete laying on a 300-metre long and 2-metre wide road from the classrooms to the main road, was completed with the collective and voluntary work of students and teachers, as a result of which, Afs. 100,000 were saved for the state revenue.

On the proposal of the higher teachers' training institute and with the approval of the Ministry of Education, the Alauddin primary school has become an experimental school during the current year. It has a better educational

system from the view point of educating and training the youth.

"A library with 1,200 volumes of books was established which is open for the students and teachers every day. It is expected that a large number of other books will be put at our disposal by the Higher Teachers' Training Institute.

Departments of natural Sciences, mathematics, literature, English, Pashtu, religious studies and social sciences have been set up. Rooms for the preparation of teaching materials for raising the skills and intelligence of students were also established.

The teachers and students have taken valuable and active part in creating the committee of order and teaching discipline, a committee for class and art competition, committees of sports, finance and evaluation of class results, and thus have played a valuable role for raising the educational level of the school.

"The work of training is conducted through the primary party organisation of the school so that the students may be trained in the spirit of patriotism, love for the homeland, the revolution and the service to the people."

Concluding his interview, the principal expressed appreciation for the Centre of Science and the teachers of that centre who spared no effort in creating the science and mathematics laboratories in Alauddin experimental school.

## WOMEN'S ROLE IN REVOLUTION DEPICTED

Kabul KABUL NEW TIMES in English 9 Jan 84 p 4

[Text]

The Women's Democratic Organisation of Afghanistan (WDOA) is the rallying centre for the women of the DRA. It plays a worthwhile role in the deepening and expanding of a new political system in Afghanistan and strives for making the objectives of the revolution known to the vast masses of women workers, peasants and other deprived women.

The women of Afghanistan who have earned laurels for themselves in the course of history, the carrying out in the present conditions of the revolution their duties in the political, economic and social spheres and actively participate in the cause of carrying out revolutionary transformations.

In this respect we mention here some of the activities of the members of the Womens' Democratic Organisation of Kunduz province. Our attention here is focussed to the methods of work of those brave women who are fighting the enemy in the battlefield. We will also narrate the activities of the

pioneers of the production section of the organisation in that province.

In Kunduz province, despite the unfavourable conditions arising from the destructions and crimes of counter-revolutionary scum, in addition to those women who have acquired the honour of the membership of the PDPA and are organised in the Democratic Youth Organisation of Afghanistan (DYO), 250 women work in the WDOA.

The women who are members of these organisations work in collaboration with party committees and organisations and perform whatever duties the revolutionary conditions assign to them. In addition to that some of the combatant women of Kunduz have also been organised in the groups of defenders revolution and defend the revolution arm in hand.

In order to be further acquainted with the life of woman workers and peasants working with the defence groups of revolution in Kunduz we mention

part of their activity in raising the level of production and defending with arms the gains of revolution.

There are 22 women peasants in the defence group of Chardara district in Kunduz. The WDOA members besides attending to their household responsibilities and participating in agricultural activities also take part in the affairs related to security and fighting the enemy. When the villagers in the district go to farms there women defend with arms the security posts, their houses, villages, some buildings and institutions and prevent plundering, looting and stealing of counter-revolution. Also, they supply bullets, ammunitions and other required material for security posts during the fight with counter-revolution and carry out this work with in a spirited manner befitting an honourable, revolutionary and

true fighter for the cause of the country, people and revolution.

Similarly, in the factory of Spinzar 48 woman workers work behind the machine. Along with other workers they play an outstanding role in raising the level of production. Mrs Ahayesha is one of woman workers there. She is working in the soap-making plant of Spinzar Company. She is also a member of leading council of women. She believes that women play an important role in the revolutionary transformation.

The reality of her idea has been proved in practice. The victory of revolution has provided favourable conditions for the active participation of women in all affairs and has shattered the myth that women do not possess the capability of participating in practical activities with men.

CSO: 4600/309



TEHRAN COMMENTS ON U.S., USSR STANDS TOWARD IRAQ

GF231800 Tehran International Service in Arabic 1230 GMT 23 Jan 84

[From the "World Affairs Program"]

[Excerpts] While the United States is speaking about neutrality toward the Iraq-Iran war, we observe that all its major allies in the region have without exception an attitude which can be described as hostile toward the Islamic Republic and which supports the Ba'thist regime ruling in Iraq. This matter undoubtedly cannot happen spontaneously. The consultations between the United States and its allies on this vital region are considered a fundamental matter that cannot be ignored or forgotten.

The Soviets are still talking about peace in this region and about their neutrality toward the war. They demonstrate to all the Muslim people in Iran their attitude by the destructive Frog missiles which they continue to send to the Iraqi leaders who do not hesitate to direct them at the Iranian peaceful cities in order to turn these cities into ruins and mass cemeteries for the innocent. The Soviets are also known to the Muslim Iranian people by the various weapons which they provide to the Iraqi leaders in their aggressive war although they know ahead of time how these weapons will be used and although they are aware of the fact that the Iraqi regime began this war.

The Soviets are also known to the world through the espionage role which the agents of the Tudeh Party played for them against the security and safety of the Islamic Republic. All these acts, undoubtedly cannot be carried out by a peaceloving country and by a country which is neutral toward the struggle which is being witnessed on the battlefronts between the Islamic Republic and the leaders of Iraq.

CSO: 4604/8

IRAN

BAKHTIAR ISSUES STATEMENT ON KERR ASSASSINATION

GF201838 (Clandestine) Radio Iran in Persian 1330 GMT 20 Jan 84

[Text] A statement has been published today on behalf of Dr Shahpur Bakhtiar, the leader of the National Resistance Movement, on the murder of Dr Malcolm Kerr, the famous writer and creator of valuable work on the political history of the Middle East countries. The text of the statement of Dr Shahpur Bakhtiar is as follows:

The murder of Dr Malcolm Kerr, principal of the American University in Beirut, which was planned and executed by the so-called Islamic regime of Iran, has again displayed the quality of the regime ruling Iran in the execution of brutal terrorism in the region. International experts have proved that the only way to confront terrorism is to destroy the source of such acts of terrorism. Therefore, the most logical way to guarantee peace and security in the Middle East and Persian Gulf region is to destroy the inhuman, bloody, and hateful Khomeyni regime. For this objective, the peace-loving and independence-seeking Iranians seek the moral and political support of all the democratic societies, and they ask that for liberation of Iran to save it from the clutches of the dictatorial and criminal ruler. They should not spare any effort in the support of the people of Iran. And thus, they could wither up the real roots of the world terrorism. Iran will never die--Shahpur Bakhtiar.

CSO: 4640/104

## MAJLIS SPEAKER DEFENDS MONTAZERI AGAINST 'INTERNATIONAL SATANS'

Tehran ETTELA'AT in Persian 21 Dec 83 p 2

[Text] A group of the security personnel of the Majlis, together with a group of the personnel assigned to protect the residence of martyr Mottaheri's residence met yesterday with Hojjat ol-Eslam Hashemi Rafsanjani. In this meeting Mr Hashemi Rafsanjani said: I am very happy to see you gentlemen, I am very much ashamed that I see you so infrequently. This is due to the prevailing problems nowadays, therefore, you must regard this matter as negligence and not as a fault. One of the benefits of your presence here has been the safeguarding of the Majlis, regardless of the many endeavors of terrorists--and this we owe to your endeavors. Our expectations from you is that since you have been appointed to the Majlis, you must take into view ethical matters more than ever, and if you should encounter any matter contrary to your expectations, this should not be a cause of dismay and deviate you from your duties. You must carry out your duties for the sake of God and the revolution. In this phase, prior to reaching a state of tranquility and the consolidation, of the status of the revolution, you must think more about matters related to the revolution than those of your job. Our enemies resort to all types of measures to block the path of the revolution. You see our enemies, through spreading rumors, hoarding, creating long lines, have created tensions and those who wield pens and use language, through venomous use of such means and our foreign enemies through this massive war that they have imposed upon us, the terrorists by trying to eliminate security, have all tried to weaken the Islamic Republic.

You must especially be aware of political plots. This is what during the unification week, our great Imam spoke so painfully, is itself a sign of broad scale intrigue, that he has become aware of, and in order to offset it he has resorted to giving such advice. The center of aggressors, the disciples of ill intent, and capitalists have in different manners, attacked the government, and through different ploys wanted to weaken the whole system. They had started from the government and the Imam found out and thus resorted to giving such advice--which everyone heard.

Yet with these clear and precise statements of the Imam, the aggressive forces have not relented. The Imam clearly said do not make trouble and cooperate with the government; everyone should be united. These matters are clear and evident and require little interpretation or analysis regarding

what the Imam has said? What his intentions were? Whom was he referring to? The Imam meant that whoever tries to weaken the government in whatever capacity is doing something bad. Of course whoever values the revolution must serve the system. We must all be free from all disagreement; it was due to this matter that during this week of unification that the Imam resorted to such words. In the course of such precise and clear matters our enemies abroad who know about internal events, the center of power and the one who coordinates matters and makes decisions endeavored to sow the seeds of discontent through the very same means. For example, they know that the innovator of the unification week was Grand Ayatollah Montazeri, i.e., His Eminence said that because of the birthday of the prophet, a unification week be formed on his suggestion. For the Shiites in their history write that the birthday of the prophet was on the 12th day of the month, while the Sunni's say that it was on the 17th. His Eminence said that we should celebrate the occasion from the twelfth till the seventeenth. The founder of the unification week was Grand Ayatollah Montazeri and from this viewpoint another blow was dealt to our enemies. Now we see that the aggressors want to take revenge on Mr Montazeri, as the founder of the unification week; Radio Israel and the BBC and those satans say that Ayatollah Montazeri has criticized the government, as such the views of the Imam and those of Mr Montazeri had been at odds with each other. That is they want to damage the very point that is the source of unity and to deceive their internal agents and simpleminded people so that they will say that the Imam's words were directed toward Ayatollah Montazeri--thus fueling disagreements.

He added all our nation knows that Grand Ayatollah Montazeri is the strongest arm of the Revolution after the Imam and he is rightfully the hope of our nation, and our revolutionary forces and combatants. The enemy knows this and in order to weaken this hope within the hearts of the people, this cue is given by Radio Israel so that it can show its internal satans how to carry out sabotage, and instead of their seeking unity and unification, they seek such a dispersion so that one person can say that the Imam's intentions were this and another person will say it was this. We know that in this revolution and in this country there is no one closer to the Imam than Grand Ayatollah Montazeri, and if the Imam wants to say something to him, he will do so directly and not in a general manner. Although the people know this, nevertheless, the aggressors have not relented and constantly are engaged in satanic plots so that they can cause dispersion and give their internal agents cues as to what to do. You must look after Islam and heed the advice of the Imam and Grand Ayatollah Montazeri and other responsible authorities, with all your heart and soul; whoever you find smells of dispersion, strike him in the mouth and stand up to them and move in a united way. With the Grace of God we will emerge triumphantly from this war and the means that we use for the war can be diverted to the country. At the end Hojjat ol-Eslam Rafsanjani prayed for those present and asked them to pray to the Almighty so that God will preserve this divine light given to us.

12382

CSO: 4640/85

# TEHRAN COMMENTS ON ICO DECISION ON EGYPT'S RETURN

GF220838 Tehran Domestic Service in Persian 0430 GMT 22 Jan 84

[Commentary by Central News Unit Research Center at Ahvaz: "The Return of the Egyptian Regime Is Another Step in Collusion with the Zionist Regime"]

[Excerpts] The fourth session of the Islamic Summit Conference, held in Morocco and presided over by King Hassan, fell for the U.S. plot of returning Egypt to the Islamic Conference Organization [ICO]. The organization has sent a delegation to Cairo to formally ask Egypt to return to the Islamic conference and renew its membership in it.

This decision was adopted despite the fact that the Islamic Republic made a strong written protest objecting to the venue of the conference and its chairmanship and that the leaders of Libya and Syria raised objections through their delegations headed by 'Abd as-Salam Jallud and 'Abd al-Halim respectively.

However, despite strong opposition from certain members and the representatives of Libya and Syria, the clear views expressed by the Islamic Republic of Iran, and the condemnation of the move for return of treacherous Egypt to the fold of the Islamic conference, the relevant officials led by the King Hassan--the go-between of Camp David Accord--officially adopted the resolution approving the return of Egypt to the Islamic conference.

Moreover, it is worth noting that this decision was reached under conditions when the Egyptian regime, while continuing its adherence to the Camp David Accord, has announced that the Egyptian Government will accept no conditions attached to its return to the ICO and will reject all invitations containing conditions on its return whether made by an individual or a group.

Earlier, following the Camp David Accord and Egypt's collusion with the Jerusalem occupationists, the Islamic conference members had during a similar session censured the Egyptian regime for its open treason and for colluding with the real enemy of Muslims and had cut off relations with the Egyptian regime.

However, following the revolutionary execution of the treacherous As-Sadat and the take over by Husni Mubarak, and the repeated defeats suffered by the Iraqi regime, the reactionaries and especially the Iraqi regime took advantage of the

opportunity and actively engaged in the project to prove it essential that the return the Egyptian regime to the Islamic conference, and Saddam, despite the past, repeatedly invited Husni Mubarak to visit Baghdad and he even promised to make an official visit to Cairo. [Sentence as received]

These efforts became especially intensified during the Israeli aggression in Lebanon and finally following Yasir 'Arafat's visit to Cairo and his meeting with Husni Mubarak, gave the U.S. agents the opportunity to make use of the situation, and at the Islamic summit, presided over by King Hassan, and through representations of Yasir 'Arafat, collectively decided to attach themselves to the U.S. regime in Egypt.

The return of Egyptian regime to the fold of the Islamic conference and to the community of Islamic and Arab countries could only be justified if the Husni Mubarak regime had trampled upon the Camp David Accord and had severed relations with the Zionist regime before returning to the fold of the Islamic community of nations.

As the spokesman of our Foreign Ministry has said, the return of the Egyptian regime to the ICO proves the deviation of the members of the conference from Islamic principles and values and their open acceptance of the treacherous United States and Egyptian regime's goal of recognizing and accepting of the usurping Zionist regime.

Now it is for Muslims to close their ranks in face of real enemies of Islam and the Muslims and to continue their holy struggle until the Zionist regime is eliminated and the rights of the Muslim nations and the establishment of Allah's rule in all of human society is achieved.

CSO: 4640/106

EMIGRE MAGAZINE ON FUTURE OF IRANIAN SYSTEM

GF211810 London ASGHAR AQA in Persian 14 Jan 84 p 2

[Untitled editorial]

[Text] Imam Khomeyni has drawn in his horn and is now speaking from a position of weakness. He is moaning. He talks about his death and calls farmers and villagers his masters! In his latest speech, the imam changed threats to expressions of humility! He said: People should not think that the so and so who is the president or the so and so who is the Majlis speaker or the interior minister or the so and so who is such and such are nobody or important!

The chief of the tribe of cannibals and the filthiest mullah in the history of Iran, his holiness Imam Khomeyni, apparently has even lost his hopes in the power of the bayonet of the guards and has started begging people. He has felt the danger getting close and is barking in terror just like the dog that can sense the oncoming earthquake. Parallel with the weakening of the Imam, Bazargan is gaining strength and the opposition, which has come to realize the truth, has come to and is trying to act more seriously. The supporters of the Republic of Iran, with some background in the National Front, have started asserting themselves. Shapur Bakhtiar, in a message to the Iranian nation, speaks stronger than ever. Mojahedin seem to be confused. Dr Amini has assumed the role of Islam's saviour! In general it seems that the life of the cruel regime of the cannibals is nearing its end. However, what next? The only way to liberation is a popular government and the establishment of national sovereignty. The mold does not matter. A republic? Reza Khan wanted to establish a republic and become the president, but finally became the shah. Would it have been better if he had been president? A monarchy? Would it have been good if Bani-Sadr had become the king? Had Raja'i become Ariamehr, would the monarchist have gained peace? Compatriot, whether a monarchy or a republic, they only settle the situation for a few people, the one who wants to be the king or the one who wants to be the president. This leaves 36 million others who are the "nation." In any regime it is the "nation" that remains. Would it not be better for us to clear the destiny of the 36 million instead of worrying so much about the destiny of a few and let them rule themselves instead of the shah or the president?

IRAN

# NEW RADIO TRANSMITTER OPENED IN KISH ISLAND

LD211309 Tehran Domestic Service in Persian 1030 GMT 31 Jan 84

[Excerpts] With the support of God Almighty, Kish Island's radio transmitter was inaugurated in the presence of the president of the republic. This morning in the presence of Hojjat Ol-Eslam va al-Moslemin Seyyed 'Ali Khamene'i, president of the republic; Ayatollah Taheri, the Imam's representative and Esfahan's Friday Imam; and a group of civilian and military officials Kish Island's 800 KW radio transmitter began its work.

At the conclusion of his visit to Kish Island's 800 KW transmitter Hojjat ol-Eslam va al-Moslemin Khamene'i, issued a message on the inauguration and the importance of this transmitter. The message in part reads: The problem of conveying the revolution's message is one of the revolution's most fundamental problems. It is a fact that the nations are eagerly expecting revolutions and therefore wish to correctly acquaint themselves with a revolution that has had a momentous and profound effect and learn about its problems, to learn about its experiences, and to hear its message from the tongues of those who carried it out. After the revolution, whenever we met brothers from various nations we noticed that they asked us to strengthen as far as possible and convey to them the voice of the Islamic Republic, which carry the message of this revolution.

I would like to point out that Kish Island's 800 KW radio transmitter has a 5 MW power generation plant and two 400 KW antennae. It is capable of transmissions over an arc of 120 degrees to the north [as heard], covering the Persian Gulf region, the whole of Saudi Arabia, part of Egypt, Jordan, and Sudan, and 30 degrees to the east and southeast, covering Iran, Afghanistan, Pakistan, and the southern USSR. The transmitter is operating with 36 personnel and for 18 hours per day. Its programs are the foreign programs of the Voice of the Islamic Republic of Iran and it strengthens the Bandar 'Abbas radio center. This is the third transmitter to begin operation--following the ones in the Chah Bahar region and Bandar-e Torkaman--thanks to the efforts of the committed brothers of the radio design and installation unit connected with expanding the network of the Voice and Vision of the Islamic Republic of Iran

CSO: 4640/103



# KING TALKS ABOUT ECONOMIC GOALS, EFFORTS

Kathmandu THE RISING NEPAL in English 14 Jan 84 pp 1, 6

[Text] His Majesty the King received credentials from Ambassador of the Federal Republic of Germany Dr. Eric Harder and Ambassador to the People's Republic of China Tu Guo Wei amidst separate special functions at the Narayanhity Royal Palace Friday afternoon.

Both Dr. Harder and Mr. Tu are resident ambassadors accredited to the Court of Nepal.

## Nepal-FRG Ties

His Majesty the King has said, "it is gratifying to note that relations between Nepal and the Federal Republic of Germany have remained warm and cordial. These ties of friendship have further been consolidated through exchange of visits at different levels."

His Majesty the King made the remarks while welcoming the Ambassador of the Federal Republic of Germany Dr. Eric Harder accredited to the Court of Nepal at a special ceremony at the Narayanhity Royal Palace Friday afternoon.

His Majesty the King said, "we wish to convey the appreciation of our people and government for the cooperation extended to Nepal by the government and people of the Federal Republic of Germany."

"Your assistance has always been consistent with our national objectives and has contributed to the cause of raising the living standard of our people," His Majesty said.

Noting with appreciation the continued interest shown by the government of the Federal Republic of Germany, in the economic progress of Nepal, His Majesty the King said, "we are confident that economic cooperation between the private sectors of our two countries will add a new dimension in our mutually beneficial relations."

His Majesty said both Nepal and the Federal Republic of Germany are dedicated to the cause of peace and stability around the world. "Our two countries are working closely in the United Nations and other international forums for the attainment of these objectives."

Nepal is a peace loving country committed to the principles of non-alignment, His Majesty the King said. The Nepalese people are actively engaged in the task of rapid economic development of the country.

"We believe that economic development can only be possible in an atmosphere of peace and stability. Our proposal to declare Nepal as a Zone of Peace is basically an attempt to achieve economic development at home and promote the conditions of peace in the region and the world at large," His Majesty added.

His Majesty said, the people of Nepal are grateful to the government of the Federal Republic of Germany for her understanding and appreciation of Nepal as a Zone of Peace.

His Majesty, the King said, we would like to extend, through you, to His Excellency Professor Karl Carstens, President of the Federal Republic of Germany, our greetings and sincere good wishes for his personal health and happiness as well as for the progress and prosperity of the people of Germany.

On the occasion, Dr Eric Harder said, "the Federal Government considers the safeguard of peace to be the most important goal of her policy and consequently supports all endeavours aiming at the maintenance of peace. Therefore, she has always supported regional concepts for peace which in order to be effective should be recognized by all countries concerned.

He said, in accordance with this policy, the Federal Government welcomes the proposal of the Nepalese Government to declare Nepal a Zone of Peace. The Federal Government hopes that the Nepalese proposal serves to maintain peace in the region and to promote stability in South Asia."

The active and prudent foreign policy of Your Majesty's government contributes to the stability of Asia, Dr. Harder said. The Federal Government recognizes the conciliatory, moderating and constructive attitude taken by Your Majesty's Government in international organization, particularly in the United Nations.

"We desire further promotion of our economic relations, be it as collateral assistance for private business contacts or in the field of developmental co-operation between our governments", Dr Harder said and assured that the Federal Republic of Germany would continue to attach great importance to assisting Nepal, where it so desires, in her economic development and by technical know-how, thus helping to strengthen the economic power of this country.

"I have the great honour and privilege of transmitting to Your Majesty the letters by which the President of the Federal Republic of Germany accredits me to you as Ambassador extraordinary and plenipotentiary to the Kingdom of Nepal. May I also present to you the letter recalling my predecessor."

"I deem it a special distinction to represent my country in the Kingdom of Nepal", Dr. Harder said, adding for 25 years close and friendly relations have existed between the Federal Republic of Germany and the Kingdom of Nepal, untroubled relations which continue to flourish.

German-Nepalese relations are marked by consensus on most international political issues and by constant expansion of economic and cultural cooperation, he said "the relationship between Germany and Nepal is characterized by cordiality born of mutual respect, I find this gratifying."

#### Nepal-China Ties

His Majesty the King has said it is a matter of satisfaction for us that the age-old relations of friendship and cooperation between Nepal and China have stood the test of time even in situations marked by complexities and change.

His Majesty made the observation while receiving credentials from Chinese Ambassador to Nepal Tu Guo Wei at a special function at the Narayanhity Royal Palace Friday, afternoon.

It is gratifying to note that deep understanding and friendship, characterise relations between Nepal and China. His Majesty remarked, adding, indeed, our relations have their roots in history and tradition and "I am happy that they have further been enhanced and consolidated in recent times on the basis of mutual trust and respect."

His Majesty said Nepal and China are both bound to their common commitment to the five principles of peaceful co-existence and hold similar views on many international issues, and noted both are of the view that harmonious relations among nations are sine qua non for regional stability and the world peace.

Pointing out that China has made significant contributions to the cause of peace and stability around the world, His Majesty observed this is even reflected in her support of Nepal as Zone of Peace.

"We also appreciate China's support to the interest of the Third World countries," His Majesty noted further.

The Nepalese people, His Majesty remarked, hold the industrious people of China in high esteem and admire the efforts they have made in modernising their economy.

"Under the partyless democratic Panchayat system we in Nepal are moving towards the goal of economic development for our people. The Nepalese sincerely appreciate the co-operation extended by China in their development endeavours," His Majesty added.

His Majesty also expressed the confidence that the close bonds of friendship and cooperation so happily subsisting between our two countries would be further expanded in the years to come.

His Majesty also asked the Chinese envoy to convey to Mr. Li Xiannian, President of the People's Republic of China, greetings and goodwishes on Their Majesties' behalf for his personal health and happiness as well as for the progress and prosperity of the people of China.

His Majesty also wished all success in the envoy's mission and assured him of His Majesty's Government's co-operation in the discharge of his duties.

"I am convinced that your past experience in this country will further contribute to the promotion of friendly relations between our two countries" His Majesty said.

His Majesty also recalled with appreciation the valuable contributions made by the predecessor of Mr. Tu to further promote friendship between the two countries.

Earlier presenting his credentials to His Majesty, Ambassador of China to Nepal Tu Go Wei said the Chinese government and people have all along believed that Sino-Nepalese friendship conforms with the fundamental interests of the two peoples and treasured their traditional friendship with Nepal.

The Chinese people will always remain trustworthy friends of the Nepalese people, he noted and expressed the confidence that there are broad prospects for the development of the Sino-Nepalese friendly relations and co-operation and that the friendship between the two peoples would grow daily.

"We are glad to note that under the leadership of Your Majesty, the government and people of the Kingdom of Nepal, adhering to the principle of self-reliance, have overcome all kinds of disadvantages facing land-locked country and made unremitting efforts and achieved gratifying successes in developing the national economy and culture and building up their nation", the Chinese Ambassador noted further.

In international affairs, he said, the Government of the Kingdom of Nepal pursues a foreign policy of independence and non-alignment, opposes aggression, expansion and power politics, and upholds the purposes and principles of the non-aligned movement.

It has made positive contributions to strengthening the unity of the Third World countries and promoting the cooperation in the South Asian region, thus winning high acclaim from the international community, Ambassador Tu noted.

The Chinese Government and people will, as always, support the Nepalese government and people in their efforts to build up their country and in their just struggle for safeguarding national independence and stage sovereignty, he said.

He also recalled that His Majesty has paid several visits to China and made valuable contributions to developing the Sino-Nepalese friendly relations.

Envoy Tu also conveyed to His Majesty the cordial greetings of President Li Xiannian and Premier Zhao Ziyang and extended on behalf of the Chinese Government and people high respects and good wishes to His Majesty and to the government and people of the Kingdom of Nepal. (RSS)

CSO: 4600/314

# LABOR MINISTRY IMPLEMENTS FACTORY ACT

Kathmandu THE RISING NEPAL in English 18 Jan 84 p 1

[Text] The Labour and Social Welfare Ministry Monday implemented the Nepal factory and factory worker's act in 22 establishments in view of their trans-actions, security of job and specified minimum pay scale.

According to a notice published in the Nepal Gazette, it was done to provide the facilities mentioned in the act.

The facilities include medical expenses, house rent tiffin allowance and leaves.

The establishments include 17 hotel and lodges, Gekarna Wild Life Park, Jungle Safari Camp of Janakpur and the Himalyan View Hut of Tanahun, Bandipur.

According to the ministry concerned the law has already been implemented in big industries and it is gradually being implemented in smaller ones at present.

The law is applicable of any establishment that has more than ten employees.

The act will be made effective in travel agencies also in the near future, the ministry said.

The ministry has already initiated action to provide employment oriented training programmes to the Bhote, Danuwar, Kumal, Chepang and Raute tribes. Women of the tribes will also be imparted skill-oriented training, it is states. (RSS)

CSO: 4600/314

# SUPPORTERS OF EX-PRIME MINISTER THAPA PLAN STRATEGY

Kathmandu THE MOTHERLAND in English 17 Jan 84 pp 1, 4

[Text] The RP members siding with former Prime Minister Surya Bahadur Thapa, after submission of their petition to His Majesty the King about the politics of repressions, vendetta and that of division among the panchas triggered by the present Council of Ministers, will buy some time to work out their strategy.

When asked some of the signatories to the memorandum served on Prime Minister Lekendra Bahadur Chand said that the submission of the petition to His Majesty the King was not a part of their political campaign.

But some of them hinted that if the Prime Minister continued to ignore them they would be bound to take the politics to the street. They will first be holding mass meetings and corner meetings at different places informing people and the panchas about the obtaining state of affairs.

The next step as a logical sequence would be pancha rallies. It may be recalled here that the ministry headed by S. B. Thapa was voted out of power with one pancha rally held on 23rd May of 1983 in Kathmandu and two other rallies held at Janakpur and Lahan a few days earlier.

The mass meetings and pancha rallies, one of the supporters of the anti Chand campaign said, would culminate in a vote-of-no-confidence in the Rastriya Panchayat. By that time the group opposed to Chand Ministry is expected to rally sufficient strength for a show-down in the House.

When asked about what kind of cooperation they had expected from the politicians of the outlawed Nepali Congress and the different leftist groups, he said, we will not adopt any unconstitutional means but if they want to cooperate with us in a constitutional manner there is no reason why we should reject it.

But one thing is sure, he continued, we will not let them use our political forum.

CSO: 4600/313

° RESTRICTIONS ON CONGRESS SEEN AS UNNECESSARY

Kathmandu THE MOTHERLAND in English 3 Jan 84 p 3

[Editorial: "Show of Strength"]

[Text] Leaders and workers of the outlawed Nepali Congress have reasons to be happy following the day-long curfew at and around the Open Theatre and the detention of some leaders to prevent them from holding what the banned Congressmen describe as Reconciliation Day. They are happy that the government has recognised them as a force to be reckoned with. A couple of places in Kathmandu wore an uncanny look because of the overwhelming presence of helmeted police armed with batons at different points of the town. The government too seems to have reasons to be happy after the successful show of strength but the question is was all this exercise at all necessary? The government seems to have not been able to see things in their proper perspectives. The banned Congress is not what it used to be. It is sufficiently weakened and the indications are that further deterioration in their organisation is in the offing.

The government should have understood that the Reconciliation Day was proposed to be held without any programme to oppose the government nor did they have programme to take out procession. If such was the case, the government's action for stationing police at different points could have been justified as a precautionary measure to stop the mob from going amok. Secondly, the government has not honoured the post referendum pronouncement of His Majesty the King that minority too would be respected. What harm could have been there if the banned Congressmen had been allowed to hold their function only to show that they had not forgotten their late leader? What we feel is that if the panchas think that they have enemies, they should look for them inside the Panchayat itself not outside. If they can put their house in order, they should feel secure.

CSO: 4600/313

# LOCAL LEVEL PANCHAYAT OFFICES OPPOSED

Kathmandu THE MOTHERLAND in English 10 Jan 84 p 3

[Editorial: "Ill-Conceived Idea"]

[Text] The reported move of the Panchayat Policy and Evaluation Committee to have its offices in all the zones and districts of the country, if correct, should be given up. We do not exactly understand why the Committee should have its branches all over the country. What we know is that if the idea is materialised, the national exchequer will have to spend a huge amount of money every year for the most unproductive purpose. If the Committee has thought it necessary to have offices in all the zones and districts to build cadres necessary for the Panchayat, the idea can at best be described as the ill-conceived one. What one should understand in this context is that the problems of the Panchayat is not the dearth of cadres. There are thousands of them without anybody to give them a clear sense of direction politically and socially. Thus what Panchayat suffers from is the lack of leadership development from among the cadres.

There are already six different class organisations which have not yet been given any specific functions. The better idea could be utilization of these class organisations. The PPEC could engage itself in fruitful exercise by thinking about how these class organisations could be used to serve its purpose instead of having separate offices all over the country. Secondly, if the Committee is to go ahead with the idea we will not be surprised if it does not pave the way ultimately for the one party system assuming as it will be the role of now discarded Back to the Village National Campaign body which considerably harmed the cause of the Panchayat.

CSO: 4600/313



PANCHAS SUBMIT ANTI-GOVERNMENT PETITION TO HIS MAJESTY

Kathmandu THE MOTHERLAND in English 16 Jan 84 pp 1, 4

[Text] Disgruntled panchas siding with former Prime Minister Surya Bahadur Thapa submitted a petition to His Majesty the King expressing their grave concern about the existing situation in the country, specially the political situation.

In a written statement distributed to the press by former Assistant Minister Ganesh Sherchaud, fourteen of the RP members many of whom had held ministerial positions at one time or another have said that the petition was submitted to His Majesty the King as the Prime Minister who had been served a 3-day memorandum to correct the politics of repression and vendetta had not responded.

The memorandum signed by 13 RP members with an ultimatum of three days was given to the Prime Minister on 9th January. This time the written statement is signed by 14 members with the new signatories Mohan Raj Malla, Rega Bahadur Subedi and Arjun Narsingh K C.

Interestingly enough, Arjun Narsingh K C., who was not a signatory to the memorandum has now come into the picture, while Baikuntha Bahadur Chand and Nani Maiya Dahal have been dropped from the list.

The statement issued yesterday informing about the petition submitted to His Majesty the King is signed by Nava Raj Subedi and Balaram Gharti. Magar and names of others are just listed.

In the statement, the members have reiterated that the Chand Ministry has divided the panchas and terrorised both the panchas and the people by intimidation through the misuse of local administrative units.

CSO: 4600/313

# OFFICIALS TALK ABOUT MANPOWER PLANNING PROBLEMS

Kathmandu THE MOTHERLAND in English 9 Jan 84 pp 1, 4

[Text] Though the problem of man-power planning and employment is becoming more and more acute, the ministries concerned seem to be quite indifferent to the growing problem, said Vice-chairman of the National Planning Commission Mohan Man Saijun at the inaugural function of the National Workshop on Employment and Manpower Planning here yesterday.

He said that indifference to this kind of the growing problem was really alarming.

The workshop is organized by the Nepal Administrative Staff College in cooperation with the National Planning Commission of Nepal and the Asian Regional Team for Employment Promotion, ILO Bangkok.

Vice-Chairman Saijun pointed out that nobody was sent to participate in the workshop from the Agriculture, Labour and Social Welfare Ministry.

On the occasion, he also said that the employment generated through the undertaking of development projects to the country was more for the benefit of the outsiders than for the countrymen and this was indeed a matter of serious concern.

He said that the success of the workshop would depend on finding out ways and means of overcoming this kind of acolous situation.

Equally intriguing is the fact that many of the projects, are said not to have made desired progress because of the lack of trained manpower and on the other hand it is generally complained that technicians are out of work, he pointed out.

Home and General Administration Minister Padma Sundar Lawati also referred to the problem of how the benefits of development projects had failed to percolate to the people in general.

CSO: 4600/314

UK TO PROVIDE GRANT FOR WATER, ROAD PROJECTS

Kathmandu THE RISING NEPAL in English 11 Jan 84 p 1

[Excerpt] The United Kingdom will provide Nepal with a total of about 124.56 million rupees grant assistance for the implementation of Eastern Region Water Supply Project and the Road Remedial Work Unit over the period of next three years.

Under two separate agreements signed in Kathmandu Tuesday, London will provide 66.46 million rupees for the water supply scheme and 21.75 million rupees for the maintenance of the Narayanghat-Butwal section of the Mahendra Highway and Dharan-Dhankuta road.

Besides the above assistance, the British government will also provide 14.78 million rupees in the form of technical assistance for the Eastern Region Water Supplies Project and 21.56 million rupees to Road Remedial Works Unit.

The first agreement encompasses the implementation of Eastern Region Water Supplies Project. This project covers 16 drinking water supply schemes including five in the Terai. The rest will be implemented in the hill areas.

The Dhankuta Water Supply scheme will also be rehabilitated under the scheme. The project, when completed, will provide drinking water facility to about 70 thousand people in the area.

The second agreement is for undertaking major repair and maintenance work needed on the Narayanghat-Butwal section (113 kilometres) of the Mahendra Highway which was built in 1975 by Britain. It also includes the Dharan-Dhankuta road.

CSQ: 4600/314

# SHARP RISE IN TRADE DEFICIT REPORTED

Kathmandu THE RISING NEPAL in English 17 Jan 84 p 1

[Text] Nepal's trade deficit accounted for a record 4975.3 million rupees in the financial year 1982-83.

According to the "provisional" figures released by the Trade Promotion Centre, of the total foreign trade of Rs. 7237.38 million during the last financial year, exports accounted for Rs. 1131.04 million as against import worth Rs. 6106.34 million.

The financial year was, thus, the third consecutive year in the current Sixth Five Year Plan which consistently recorded a decline in the export figures.

One of the main reasons for the sharp rise in trade deficit is said to be a marked fall in overseas export in the last financial year as compared to the preceding year. Total exports in the last financial year fell by 23.2 percent and import rose by 27.6 percent, thus incurring a total deficit as high as 49.3 percent.

The overseas export in 1982-83 constituted 25.6 percent of the total export and import 58.4 percent of the total import bill, contributing to a deficit of Rs. 3274.39 million.

Similarly, export volume to India was worth Rs. 829.74 million (73.4 percent), import 2519.96 million (41.2 percent), showing a deficit of Rs. 1690.21 million during the same period.

Exports to the Tibet Autonomous Region of China, likewise, were valued at Rs. 11.6 million (one percent) and import Rs. 22.29 million (0.4 percent), with a deficit of Rs. 10.69 million.

The Rs. 840 million export figure shown for the concluding year (1979-80) of the Fifth Plan is still a record as all the subsequent years have continuously shown a decrease in the nation's exports.

The seven-point economic programme announced by His Majesty's Government recently envisages to export goods worth Rs. 750 million within the next two years, which would still mean Rs. 90 million short of the country's record export of the financial year 1979-80.

Some of the major items of import in the last financial year were textiles construction and development goods, vehicles and spare parts, electric goods petroleum products and fertilisers.

On the export front, raw jute, jute goods, woollen carpets, readymade garments, handicrafts, hides and skins, and certain varieties of spices were among the major items.

It may be noted that woollen carpet export recorded a sharp rise (47.6 per cent) and accounted for nearly Rs. 140 million in the last financial year.

CSO: 4600/314

# NEW FOREST DEVELOPMENT PROJECTS TO BE LAUNCHED

Kathmandu THE RISING NEPAL in English 18 Jan 84 pp 1, 6

[Text] Minister of State for Forest and Land Conservation Bishnu Maden has said that altogether 5,935 hectares in 63 districts will be brought under forests through 17 projects in the next two years.

Speaking to journalists at his office Tuesday, Mr. Maden said that 8,183 million trees will be made available to various organisations and individuals free of cost for the purpose.

Six hundred and twelve nurseries will be producing the trees for the purpose, he said adding at present there are 390 nurseries in the country.

Altogether 63 districts have been brought under 17 forest conservation and afforestation projects in the country through indigenous resources and foreign aid, the Minister of State said noting active cooperation of the individuals and organisations was being sought by the ministry along the line of the community forest development project.

Industrial afforestation was also aimed at fulfilling continuously the needs of industries based on forests, he said necessary amendments in the existing rules was also under way.

A new hilly region forest development project will also be launched this year with assistance of the Asian Development Bank with view to fulfilling the requirements of timber and fuel wood of Kathmandu and Pokhara. Under the project 4,000 hectares will be brought under afforestation and 1,600 hectares of forest area protected under the six-year project.

A new project will be launched this fiscal year in 13 terai districts of eastern and western development regions with the assistance of the World Bank, he said.

He also dwelt in detail about various other projects launched under his ministry.

Replying to questions asked by journalists Mr. Maden said that the decisions of the board in the ministry and the agreement on the rosin and turpentine

industry were contradictory, action was being initiated against the responsible company for the demurrage of 4.6 million rupees.

He also said that 46 percent of the land area in the country was covered by forest in 1964 whereas after sixteen years it covered only 29 percent. The bare minimum need of the country was at least 43 percent, he noted.

In view of the loss of 190 million cubic feet of timber and fuel wood each year, about 1.3 million hectares will have to be brought under forest in the next fifteen or sixteen years to replenish it he added.

He also said that the forest based industries had not shown any interest to utilize about 3.2 million cubic feet of timber lying unused in Butwai, Taratal and Mudha of the western and far western regions. (RSS)

CSO: 4600/314

## DEVELOPING COTTAGE INDUSTRIES EMPHASIZED

Kathmandu THE RISING NEPAL in English 20 Jan 84 p 2

[Editorial: "Cottage Industries"]

[Text]

The Industry, Commerce and Health Minister, Mr. Narayan Dutta Bhatta, speaking at a seminar on promotion of cottage industries in the Eastern Development Region, assured participants of His Majesty's Government's earnest efforts towards helping the industrial sector, specially the cottage industries, in the Kingdom. The vast manpower potential that lies under-utilised in the agricultural sector has to be absorbed by the industrial sector and since big industries are not only difficult to set up but also require huge financial outlays, the cottage industries sector appears to be the only one in which the common man can invest and help generate job opportunities. Apart from this, the export front also benefits directly from the development and promotion of cottage industries as carpets and handicrafts constitute the largest single export item in Nepal's trade with overseas countries. There is a potential for increasing such exports provided right types and high quality handicrafts are available. Thus, those venturing into the field of cottage industries face the minimum of risks which is further decreased by the government regulations which confine cottage industries sector to Nepalese citizens only. Thus as far as industrialisation is concerned, the cottage industry holds a lot of promise for the Kingdom and can indeed be set up any where in the

country.

However, in order that cottage industries become a viable means of substituting imports as well as for manufacturing quality items for exports, it is important that the persons manning them should be trained in various skills. Without such a training, the products are bound to suffer in quality which in turn will have an effect on their export potential as well as in home consumption. In this regard, it is to be commended that a three month programme on carpet weaving is being organised at Lalitpur by the Cottage and Rural Industry Development Committee. The committee's activities are not confined merely to Kathmandu but extends to other parts of the Kingdom as well. The committee which has branches in different parts of the country would do well to organise such programmes more frequently and in as many different parts of the country as possible. The training programme, besides teaching the participants the techniques of production should also concentrate on how best a cottage industry can be run in the most economic way and yet produce high quality goods. The spread of such training in all parts of the country will be the first concrete step in popularising cottage industries and enabling the people to benefit from this very essential sector of industries.



REPRESSIVE MEASURES AGAINST THE PRESS DEPLORED

Kathmandu THE MOTHERLAND in English 17 Jan 84 p 3

[Editorial: "Axing the Press"]

[Text] It can be said without exaggeration that the government has started axing a section of the press which is not subservient to it. If a section of the press has become hostile to the government none but the government itself is to be blamed for that, because it has adopted a policy to patronize some and estrange others with its discriminatory practice which has become so blatant of late. The latest trend is to hack weeklies and dailies which have been quite critical of many irregular practices of the government. It is true that many of the weeklies and dailies have not strictly observed the ethics of their profession and that mainly because of the lack of clear-cut policy of the government and its frantic search for newspapers which can praise it to the sky. The means adopted for doing so besides being despicable for the government is also detrimental to the growth of a healthy press. Development of a responsible press is just unimaginable in the present atmosphere. Once again it is the government which is to be blamed for it.

What the government should understand is that a handful of newspapers can be induced to speak for it but not all, nor can it gag the voice of the press forever. The atmosphere of terror which it has created will do good to none. It is acting with a sense of vendetta particularly against those newspapers which have bitterly criticized it from the very beginning. We do not mean to say that action should not be taken against the newspapers. Like others the press also is not infallible but this does not mean that the government should seek to annihilate all those who hold that to oppose and to criticize is their basic right. Action can in fact be taken against any newspaper if motives are to be imputed to them. If the present ministry thinks that a docile press can serve its purpose we should say it is sadly mistaken. A free and independent press is an integral part of any democracy.

CSO: 4600/313

## EARNINGS FIGURES FROM MOUNTAINEERING

Kathmandu THE RISING NEPAL in English 10 Jan 84 p 1

[Text] His Majesty's Government has received one million rupees worth of foreign exchange as royalty from mountaineering in the Spring and Autumn mountaineering seasons 1983. The figures for the Winter season last year were not available.

Besides contributing revenue to the state coffers, as a spokesman of the Ministry of Tourism put it, mountaineering has brought an even higher amount of foreign exchange to the country in the form of other mountaineering expenses.

For instance, he said, while the royalty for peaks alone amounted to one million ruppes during the two seasons last year, the total amount of money spent by expeditions in Nepal was about 17 million rupees worth of foreign currency.

However, he said earnings from mountaineering were not the only contribution such expeditions were making to the country's tourism sector, more particularly to the Nepalese mountains.

Hundreds of mountaineers who attempt various peaks in the country also help publicise Nepal's scenic beauty in their respective countries by writing articles, books, or putting on television and other documentaries programmes.

This apart, big expeditions provide employment to a number of Sherpa guides and local porters.

For instance, he said, a total of over 6000 low altitude porters were employed by various expeditions attempting different peaks in the Himalayas during the two mountaineering seasons last year. This apart, they also provided employment to more than 400 high altitude Sherpa guides and other workers at base camp or above.

Some 700 mountaineers from all over the world came to Nepal for mountaineering from all over the world came to Nepal for mountaineering purpose during the two seasons. They constituted about 80 expeditions 29 of which were successful.

However, 1983 was a year of heavy casualties for mountaineers.

In two seasons of 1983, the figures provided by the Ministry of Tourism, put the total number of casualties at 26 including six Nepalese Sherpa guides and porters.

CSO: 4600/313

END